# MENATIONAL UNDERWRITER



STRONG
FRIENDLY
PROGRESSIVE

### CENTRAL SURETY AND INSURANCE GRPORATION

HOME OFFICE KANSAS CITY, MISSOURI

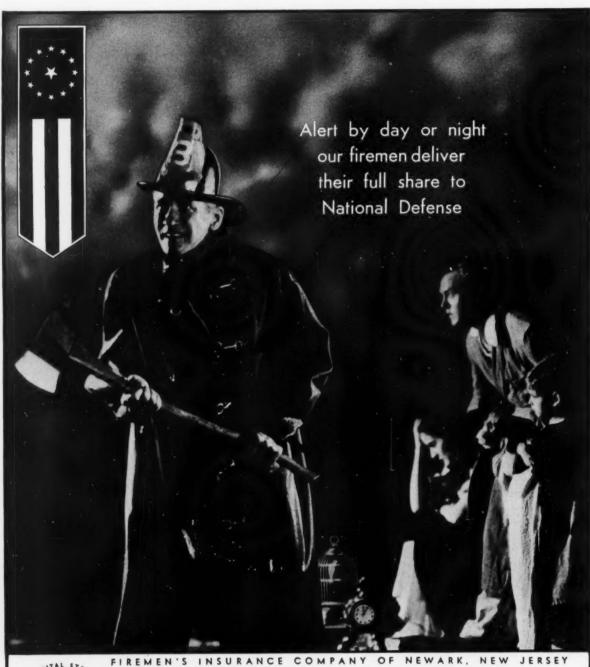
R. E. McGINNIS, President

SAN FRANCISCO

CHICAGO

NEW YORK

CONVENTION





FIREMEN'S INSURANCE COMP.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company.

Western Department 844 Rush St. Chicago, Illinais

Southwestern Dept. 912 Commerce St. Dallas, Texas

Pacific Department 220 Bush St. San Francisco, Calif. HOME OFFICE

10 Park Place Newark, New Jersey

Foreign Department
111 John St.
New York, New York

Canadian Departments 461 Bay St., Toronto, Ontario 404 West Hastings St., Vancouver, B. C. FIRE MARINE-CASUALTY-SURETY

OYALTY FROUP

INSURANCE

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fifth year. No. 42. Thursday, October 16, 1941. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

OLD IN EXPERIENCE...STRONG IN ASSETS...EFFICIENT IN SERVICE

### Backing the Local Agent

-for 220 Years!

RECOGNIZING the importance of the local Agent's service in the community—even as early as 1721—the Royal Exchange was first to go definitely on record as an Agency Company by establishing a rule for itself that all insurance written in America must be cleared through the Agent in the community. This rule as written into the minute book of the Court of Directors in February, 1721, reads:

"Resolved that no houses or goods be insured in America unless the Company has an Agent in the place."

Loyal to the interests of the American Agency System, the Companies of the Royal Exchange Group do not compete with their Agents but, adhering to the principles of an ageold tradition, render service and cooperation which makes each agent of value to the assured.



### Royal Exchange Group

ROYAL EXCHANGE ASSURANCE
PROVIDENT FIRE INSURANCE CO.
The STATE ASSURANCE COMPANY, Ltd.
CAR & GENERAL INSURANCE CORP., Ltd.

111 JOHN STREET, NEW YORK



FIRE & CASUALTY INSURANCE LINES...FIDELITY & SURETY BONDS

## \* A Contribution to Defense

# REDUCE POLICY WRITING PROCEDURE IN HALF

\*There is a shortage of labor in all fields due to defense requirements. In surance and businesses employing mostly office workers have been particularly affected. The One-Operation Policy System described below will reduce policy writing operation by more than one-half, and at the same time enable your office to maintain maximum efficiency from the standpoint of service.

#### SAVE TIME and AVOID the POSSIBILITY of ERRORS

We have devised a new type of policy which can be adapted to all types of insurance policies. The plan has been thoroughly tested and is now being used by a number of companies for fire, automobile, sprinkler leakage, etc. Tests show that production of policy writers is increased by more than two to one on a regular typewriter, more than three to one on an electric typewriter. Only a few minor changes in present procedure have been effected by this new system but the time element has been lessened by half and the possibility of mistakes greatly reduced.

Instead of folding the policy exactly in the center so that the "face" is on the under side when the policy writer puts it into the typewriter, as at present, it is folded so that the policy face and inside are continuously flat and in front of the policy writer with all information visible throughout the procedure. This necessitates printing the information blank on the face at right angles with the way in which it has been printed heretofore.

To further simplify the mechanics of policy writing, and to bring into proper position for manifolding, the two daily "reports and/or agent's record," there is an extension at the top of each of the dailies. One of these is an expiration card, the other is assured's invoice. Or

a line card, collection tickler or account copy may be substituted to suit the agent's requirements. The invoice and this card are perforated at the bottom for easy detachment. A certificate of insurance or abstract copy may also be included. They contain space for agency identification.

#### REDUCES MISTAKES

Use of the card and invoice saves the additional work of typing them out separately as at present, and eliminates the possibility of a mistake because they are carbons of the information typed on the policy's face.

The policy writer continues the policy through the machine as is done at present, and the job is finished. The policy doesn't have to be folded and the face filled in, which is a cumbersome procedure. The procedure also eliminates the necessity of a wide carriage typewriter.

There is no change, of course, in policy contents or form, and we do not print policies.

Companies or agents purchasing the right to use the system may have the policies printed by their local printers, or, if desired, contact the Uniform Printing & Supply, Chicago, Ill., who have been printing this type of policy for insurance companies. The layout of the policy, daily reports, etc., can be arranged to fit your own requirements.

Commencing November 1st, and during the next 12 months revisions in policy conditions will be made necessitating the printing of new policies. Make arrangements now to adapt the One-Operation Policy System to your specific requirements.

For complete details fill out and mail

ONE-OPERATION POLICY WRITING SYSTEM Room A-1125, 175 W. Jackson Blvd., Chicago, III.

Gentlemen

Please send sample policy and complete information on the One-Operation Policy System. I understand there is no obligation on my part.

Name .....

City ...... State .....

### Indestructibility of **Insurers Should Be Government Policy**

Londoner Tells Commercial Value of Insurance to Nation

The audience that heard A. Beverly Baxter of London, at the American Life Convention meeting in Chicago last week was exceedingly impressed with his talk which, of course, was excellent propaganda but it had in it much information of real value. He said that Great



A. BEVERLY BAXTER

Britain had underwritten the survival of freedom in the world. This was a big line for it to carry and so part of it has been reinsured in America. He said in a rather jocular way that Great Britain would be willing to cede more of this line if there were a satisfactory market.

He said that the British insurance

companies had been a stabilizing factor in peace times and had been vastly important during the war period because the insurance industry was second only to the banks in subscribing to national loans and contributing toward a war chest. He said that it is highly necessary for any nation that has any ambi-tion commercially to see to it that the indestructibility of insurance companies made a permanent governmental policy.

Mr. Baxter is now a member of par-

Mr. Baxter is now a member of par-iament and was formerly chief editor of the London "Express," Lord Beaver-brook's paper. He is a native of To-ronto and served in world war No. 1. He referred to the excellent health of the British people at this time. He said that it had never been better than today. In the first place there had been pre-diction that there would be innumerable

#### Complete Transfer of Standard, N. Y.

Move to Hartford Set: Western Unit Merged with Aetna

NEW YORK—The head office of Standard of New York will be removed from this city to Hartford the latter part of the present month, following the transfer recently of its casualty affiliate, Standard Surety & Casualty. The two Standards were purchased by

The two Standards were purchased by Aetna Fire several months ago. President G. Z. Day of Standard, the entire underwriting staff, and various members of the accounting and other departments will go to Hartford.

In a letter to agents of Standard throughout the middlewest, President Day advises that all business in the territory henceforward is to be sent the western department office of Aetna Fire at Chicago, of which W. N. Achenbach is manager. A. J. Couch, vice-president of Standard and in charge of its western affairs, will be connected with the Aetna organization, as will also a the Aetna organization, as will also a number of the field men of the New York company.

cases of nervous prostration, yet he said there had been no increase in this line and, in fact, there had been fewer cases. and, in fact, there had been fewer cases.

The specialists who deal in the neurosis diseases are not called upon to treat as many people as they did in peace times.

The psychologists claim that this shows The psychologists claim that this shows that nervous prostration is due largely to imaginary things, worrying over something that may never happen. The English people are confronted with realistic phenomena. They know the worst and they are not trying to dodge it. Therefore they know exactly what is happening and not what will happen. They are not imagining what will happen. Further the people are eating much less. Food is rationed and he said that the British are great epicures and because they cannot get the food their digestion is improved and they are reduced in weight. Furthermore, he said, duced in weight. Furthermore, he said, the English people have found their soul and show a spirit of exaltation. They manifest at all times a determination to die if necessary for their rights.

#### Character of Churchill

Winston Churchill, he said, has brought back the Elizabethan times. His winston Churchil, he said, has brought back the Elizabethan times. His policy is a simple one, he said. His frequent addresses consist largely of plain unembellished words, but his character, he said is complex. To him, Mr. Baxter said, no man is common clay. Each individual has a destiny and can achieve. This war, he said, is one of the common people. It is being fought by unknown men and women. This means a new destiny for England. The common man, he said, has come to his own. In the mercantile marine, Mr. Baxter said, there had been no drafting. All the men are volunteers. British labor, he said, is intensely patriotic. The labor party has eliminated its extreme demands. The masses, he said, will be recognized far more in the future. He said that the decency of working men

### No Demand Found for War Risk Cover

Agents Are Said to Be Losing Time in Soliciting **Bombardment Insurance** 

Some agents have been endeavoring to sell bombardment and war risk insur-ance, but they find that the results are not satisfactory and the field is rather a barren one. Prospects are not excited over the Germans trying to do any damage to this country directly. The hazard, therefore, is very remote. Along the Pacific Coast and also on the Atlantic side there have been a few policies written, but property owners regard the possible bombing of any building on this side as existing largely in the imag-

ination.

Naturally, if it were possible for Hitler to bombard lower New York, where the values are very heavy, the loss would be tremendous. Beverly Baxter, a member of the House of Commons, was in Chicago last week and gave an address before the American Life Convention. He has been engaged in war defense work in England, but stated that he did not see how Hitler could harm this country through direct bombing. He stated that the United States would suffer from economic encirclement if Hitler

stated that the United States would suf-fer from economic encirclement if Hitler conquers all of Europe, Africa, and per-haps part of Asia.

Companies do not want war risk or bombardment insurance. They do not want to load up on it at the present rate, even if the hazard is infinitesimal. Hence most offices are turning down all applications from agents. It would seem, therefore, that an agent is simply sacrificing time and energy to no avail in soliciting this class. If any bombardment does take place, then the companies will decide what to do.

when the crisis came was acknowledged

when the crisis came was acknowledged by all.

Mr. Baxter said that in 1919, when Alcock and Brown, in a rather deficient airplane flew across the Atlantic Ocean to Newfoundland it meant the end of isolation. Britain and America did not recognize what this meant at the time. They did not appreciate the fact that in future oceans would become lakes lakes would become pools. Isola-

tion, he said, was forever destroyed.

He referred to Charles A. Lindbergh taking his family to England to find a wholesome sanctuary after he thought that his own country had in some way treated him cruelly. Then he referred treated him cruelly. Then he re
(CONTINUED ON PAGE 40)

A special section, commencing on page A special section, commencing on page 41, is devoted to reporting the proceedings through Wednesday evening at the Kansas City annual convention of the National Association of Insurance Agents. Copies of this week's entire edition were taken to Kansas City by special messenger Wednesday night for distribution to those attending the final sessions Thursday.

Reporting the convention for The National Agency and the convention of the National Agency and the National

Reporting the convention for The Na-TIONAL UNDERWRITER are C. M. Cartwright, W. A. Scanlon, James C. O'Connor, and Kenneth Force.

### Fall River Loss **Emphasizes Great Danger Today**

**Accumulations of Values** and Acceleration of Work Offer Big Threat

The disastrous fire in the plant at Fall River, Mass., of the Firestone Rubber & Latex Company is of intense interest to the insurance business, not only because of its magnitude and the fact that there was destroyed a huge stock pile of rubber which is precious in the defense effort, but because it emphasized the great fire hazard that exists today throughout the country with unusual accumulations of values and with all industrial processes being pushed to capacity.

dustrial processes being pushed to capacity.

The unofficial loss estimate of \$12,-000,000 to \$13,000,000 seems to be the top guess. The most conservative estimate places the loss on rubber at \$5,-000,000 and on building and machinery at \$2,000,000, with U. & O. possibilities entirely conjectural.

Although half of the Firestone properties in Akron are insured in the factory mutuals, the Fall River plant was insured exclusively by Factory Association of Hartford in an amount said to be \$5,400,000, including buildings and contents. That portion of the rubber, which was owned by Rubber Reserve Corporation, was insured under marine Corporation, was insured under marine forms, with a limit of liability of \$9,000,000.

#### Old Plants Involved

The Fall River plant was purchased by the Firestone interests about three years ago from the American Print Works, a large textile company, and the Fall River Iron Works. The various buildings were modernized and put in first class condition. The Fall River local agents had no part in placing the insurance. The plant was located along Mount Hope Bay. All the buildings were sprinklered. The pressure was about 125 nounds, as the plants were on a lower level than that of the upper city. Jesse H. Jones, federal loan administrator, announced in Washington that 15,850 tons of crude rubber owned by the Rubber Reserve Corporation and stored at the Fall River plant of Firestone were lost. Rubber is currently valued at about \$400 a ton. The loss on this rubber alone is placed at from \$6,5000,000 to \$7,000,000. This amounts to about 1/5 of an entire month's imports of rubber into the United States. As of Saturday, before the fire, Rubber Reserve Company, Mr. Jones stated, had on hand 155,214 tons, 135,323 tons shipped and 145,664 tons awaiting shipment.

ent. The Fall River fire continued for out 14 hours. Four huge mill buildabout 14 hours. ings were involved. The crude rubb

crude rubber and latex was
(CONTINUED ON PAGE 14)

### Missouri Agents in **Hot Temper Over Company Action**

Accuse Some Representatives of Double Crossing on License Bill

By W. A. SCANLON

KANSAS CITY-The meeting of the Missouri Association of Insurance Agents which was held Monday noon was an abbreviated one but a very spirited session. The report of W. J. Welsh, Kansas City, as chairman of the legislative committee, was the signal for an outburst of discussion. He presented a resolution condemning the action of the representatives of some companies in



connection with the recent licensing and qualification bill which the Missouri agents were endeavoring to have passed at the recent session of the legislature. The original resolution contained the words "undergrand action by the com-

The original resolution contained the words "underground action by the companies" and "condemnation of said companies." Some of the agents felt that the wording should be changed somewhat, but these men were outvoted by a large percentage. The temper of the large majority was to pull no punches and speak right out against the companies.

panies.

In answering some of the objectors to the resolution, Mr. Welsh said he was certain that if those agents who were objecting to the resolution knew of the actual happenings when the bill was being prepared for passage, they would not be in favor of changing the wording of the resolution. of the resolution.

#### Conferences with Companies

He stated that in preparing the bill, conferences were held with the companies, that several company officials expressed themselves in favor of the bill and promised to work for its passage. He declared that immediately following these conferences some expressivities. these conferences some representatives of some of these same companies did what he termed underground work. In spite of the help promised in conference, actual work was done to defeat the bill, he added. He said there were deliberate sabotage attempts against the measure on the part of some company representatives. He further stated that he could call the names of the companies that performed in this manner, although he (CONTINUED ON PAGE 39)

#### Fall River Loss \$12,000,000



-Acme Newspicture

Six buildings of the Firestone Rub-ber & Latex Co. were destroyed at Fall ber & Latex Co. were destroyed at Fall River, Mass., in a fire in which the loss to buildings, machinery and important stocks of raw and finished materials is expected to exceed \$12,000,000. The above picture shows how the flames de-voured the main building. Dense smoke was caused by the combustion of 10,000

tons of raw rubber. The blaze, which tons of raw rubber. The blaze, which started at 10:30 p. m. in a building in which self-sealing gasoline tanks for airplanes were being produced, was not brought under control until the afternoon of the next day. Fire equipment from 60 cities and towns, including Boston, assisted in fighting the conflagration

#### Adjustment of Tacoma Bridge Loss Costs \$162,500

miscellaneous expeness, telephone, telegraph, postage, etc., \$1,591, and litigation, \$354.

Adjustment expenses totaling \$162,500 were incurred by the companies on the Tacoma Narrows bridge in addition to the \$4,000,000 paid on the bridge proper. The fees and expenses of engineers were the largest item amounting to \$77,818, with \$47,096 going to the chief engineer and his assistant.

Legal fees and the attendant secretarial and office services totaled \$77,442, two legal firms receiving \$32,500 apiece. Other expenses included adjusters fees, \$4,199; appraiser's retaining fee, \$1,000:

### THIS WEEK IN INSURANCE

Unofficial estimates of \$13,000,000 loss in Fall River, Mass., fire are generally accepted as about the correct figure, Page 3

Prentiss B. Reed sketches some of the difficulties that the adjuster encounters as a result of dislocations brought about by the defense efforts.

Companies say there is no demand for bombardment and war risk insurance.

Page 3

Head office of Standard of New York this month will be transferred to Aetna Fire home office in Hartford and the western department operations of Standard will be under the supervision of W. N. Achenbach of Aetna Fire.

Page 3

Missouri agents accuse some agents of double crossing them on license bill.

Page 4

Announcement was made this week that Harry W. Chesley, assistant man-ager of the Western Underwriters As-

sociation, has now been placed on the inactive list due to impaired health.

Page 11

Indestructibility of Insurance com-panies should be a major policy of any government that has any commercial ambition, according to A. Beverly Baxter, member of parliament, who addressed life insurance gathering in Chicago. Page 3

U. S. Aviation Underwriters group adds three companies, opens two new department offices.

Superintendent Pink of New York believes the fear that a high loss ratio period lies ahead, found in many quarters, is probably overdrawn.

Page 21

Thomas Hook, accident and health superintendent of Standard Accident and long an important factor in the business, will retire Dec. 1.

New York department fines 15 companies for alleged violations of compensation rating law.

Page 21

### S. C. Local Agent Urges Heeding Customer Protests

"Blue Goose Feathers," publication of the Carolinas pond of the Blue Goose, carries an article by Joe Stuckey, local agent of Bishopville, S. C., advocating elimination of the incompetent and expensive agent and basing the commission of the surviving agents on their profit or loss on the business they produce. He said that the business should take heed of the ever increasing number of risks going to self-insurance, cooperative insurance, listen to the protests and criticisms of the customers and act with intelligence. The public demands action, not argument, he declared. Insurance, he said, should exert every effort to furnish the legitimate business of the country with safe insurance at the lowest

he said, should exert every effort to furnish the legitimate business of the country with safe insurance at the lowest cost that is consistent with safety.

He compares the loss ratio in this country with that in Britain and the nations of Europe and he attributes the higher insured losses in this country to poor underwriting. With competent agents, the loss ratio would be lower and hence one important insurance cost would be reduced.

Then there is the acquisition cost of 45 percent. That looks high to the assured and he holds the final decision.

Mr. Stuckey believes that reduced commissions are necessary but this should be accomplished, he believes, by an equitable reduction all along the line. If the contingent commission element were introduced, he contends, there would be a lowering of costs that would permit a reduction in premiums. He expresses the belief that the competent agent would make more money and the incompetent would be reduced return. ness because of a reduced return

#### **High Court Decision** Doesn't End Mo. Case

The United States supreme court this week declined to review the decision of the federal court at Kansas City directing the return of the entire \$8,000,000 recting the return of the entire \$8,000,000 of impounded funds in the Missouri 16 2/3 percent rate increase cases to policyholders. That does not necessarily end the matter, however, because the decision of the United States supreme court was based on lack of jurisdiction. The companies may now pursue their appeal already on file, to the circuit court of appeals, according to E. R. Morrison, of counsel for the insurance companies. An appeal was made to the circuit court of appeals at the same time that one was made to the Supreme Court. The high court stated that the decrees which the insurance companies sought to have

was made to the Supreme Court. The high court stated that the decrees which the insurance companies sought to have reviewed by the Supreme Court, are not decrees granting or denying an injunction. Hence, direct appeals to the Supreme Court do not lie.

At the same time the U. S. Supreme Court declined to review the conviction on contempt charges and two year penitentiary sentences of T. J. Pendergast and O'Malley were held guilty of contempt because they had deceived the court while distribution of money impounded during an insurance rate controversy was being decided. The appeals of Pendergast and O'Malley were dismissed "for want of jurisdiction." Attorneys for Pendergast and O'Malley had likewise filed petitions of review before the circuit court of appeals. cuit court of appeals.

#### Zone 4 Commissioners Confer

ST. PAUL—Zone 4 commissioners met with Chairman Newell R. Johnson, Minnesota, here to consider matters that will come up at the national meeting in

J. C. Nungesser, a member of the firm of Norton, Bernard & Nungesser, has announced his candidacy for the council in New Orleans. He has been active in civic affairs for a number of years.

ng

ıld

ith

n-

251

nis

to

ed nis by ne.

re

ne

### N. Y. Rating Chief **Favors Additional** Classifications

#### Collins Tells Accountants Limitations of National **Board Groupings**

The reporting by individual companies to some central agency of their experience on a larger number of classifications of risks than the National Board groupings, would be of great benefit, especially to the smaller companies, in their underwriting, according to Joseph S. Collins, who addressed the meeting of the Insurance Accountants Association at Norwich, Conn. Mr.

Association at Norwich, Conn. Mr. Collins is chief of the rating bureau of the New York department.

The statistics furnished by the National Board classifications, he said, do not contribute much to a determination of the true loss costs of various classes of risks or of the correctness of the rate charge. The broad National Board groupings combine the experience of numerous sub-classes of low, medium and high rated occupancies of varying degrees of hazards with respect to combustibility and susceptibility of contents. He also suggested that the National Board grading of cities in 10 classes with respect to physical conditions could be supplemented by statistical data relating to loss experience.

tions could be supplemented by statis-tical data relating to loss experience.

Many companies, Mr. Collins stated, collect experience on the old 160 classes and some companies accumulate data on a much larger number of classes. This data, for the large fleets, would provide a fair indication of the loss experience and rate levels of various classes for the business as a whole. But it would not hold true in the case of smaller companies. Hence, his suggestion that the reports be made to a central agency.

#### Recalls Ellis Richards

Mr. Collins observed that a striking fact brought out at the various hearings and investigations of rates is the unavailability of adequate statistics. He mentioned specifically the famous Missouri rate case and the pending investigation in Michigan. He recalled that the late Ellis G. Richards, who was at one time president of the National Board, pleaded for a system of rating closely related to the loss experience of the various classes of risks. He argued that it would be to the best interests of the business to be able to show that rates were based upon actual experience rates were based upon actual experience and recommended a statistical plan. He rates were based upon actual experience and recommended a statistical plan. He thought that a system designed to produce such results would avoid future attacks upon the fire insurance companies. Some, however, felt that the experience and grading system proposed by Mr. Richards was too complicated. It did not receive the support of the majority of the companies. Mr. Collins said he believes that Mr. Richards had a fundamentally sound approach to the problem from a disinterested standpoint. Mr. Collins stated that he does not intend to question the soundness of the theory of uniform rates or the principle of non-discrimination. These matters are closely related to the development of the fire insurance business. The history of the business is extremely interesting and to a large extent centers around the complexities of rating methods and practices, the stresses of competition and the activities of sucervising officials and legislative committees in

petition and the activities of supervising officials and legislative committees in various states. The idea of board or conference rates based upon the experi-

(CONTINUED ON PAGE 17)

**Defense Flag Presentation** 



Mayor Angelo J. Rossi received thement now used in London; insignia to first civilan defense flag of official de-be worn by members of the civilian design made on the Pacific Coast fromfense corps and an incendiary bomb Charles C. Hannah, vice-president of which fell as a dud on London and was Fireman's Fund, who is at left. subsequently sent to Mayor Rossi.

The presentation was made in the Printed on the flag is a large CD in lobby of Fireman's Fund head officered, placed in a white triangle which is where a fire prevention week displaysurrounded by a blue disc. From this featured, among other items, an auxil-basic design are made insignia to be iary trailer fire truck similar to equip-worn by Civilian Defense Workers.

### Fischer Ruling **Highly Popular**

To the orthodox fire insurance companies, one of the most popular rulings that has come out of any insurance department in recent years is that of Commissioner Fischer of Iowa last July 25 which outlawed what he termed the "Russian plan" of insurance. He calls it the "Russian plan" because it provides for the writing of a five-year term policy at four times the annual rate, with the premium payable in annual installments. This has been a potent competitive weapon in the hands of several non-conference fire companies during the past few years, but the term rule principle is so vital in the estimation of the organization companies, that they have not succumbed to the temptation to meet this competition. The inroads of To the orthodox fire insurance com-

have not succumbed to the temptation to meet this competition. The inroads of the "Russian plan" were especially severe in Iowa and hence the stand of Mr. Fischer was especially appreciated.

In his ruling, Mr. Fischer stated that the "Russian plan" is equivalent to extending credit to certain policyholders without charge and at the same premium paid in advance by other policyholders for identical insurance. He said that any plan by which an insured enjoys credit without a reasonable charge of not less than the prevailing rate of interest, is a discrimination against the policyholder who pays the same premium in advance or the higher annual.

### New Hints of U.S. Interest in Mo.

JEFFERSON CITY, MO. — The United States department of justice may move into the Missouri fire insurance rate litigation and Attorney-general McKittrick's anti-trust proceedings against 134 stock fire insurance companies

panies.

Records of the hearings that have taken place in connection with McKittrick's efforts to oust the companies from Missouri are now in the hands of Thurman Arnold, assistant United States attorney-general in charge of antitrust prosecutions, and if the information that has been dug up justifies that step, certain features of the fire insurance history dating back to 1920 may be called to the attention of the post office department.

department.
Last week, Robert L. Hyder, assistant Last week, Robert L. Hyder, assistant to McKittrick, spent several days in Washington conferring with Mr. Arnold and his assistants. Hyder has been devoting most of his official time to the ouster proceedings.

premium. Accordingly, he ruled that any contract or plan which extends credit or permits payment of the speci-fied premium in installments without charging in addition to the cash prem-ium a sum not less than the prevailing rate of interest is outlawed. There is a

### **Prentiss Reed Sketches Adjusting Problems of Day**

#### Principles, Formerly Valid, Can No Longer Be Relied Upon

A graphic account of the difficulties encountered in adjustment of fire losses that have been created because of the defense effort was given by Prentiss B. Reed, prominent independent adjuster of New York, before the conference of loss managers under the auspices of the Federation of Mutual Fire Insurance Companies in New York.

The adjuster can no longer depend on the principles he accepted in the past on the principles he accepted in the past and everything is in a state of flux, he declared. Values are uncertain. There is a scarcity of many materials, there is a shortage of man-power and there are innumerable government regulations such as priorities, quotas and quality standards, all of which make determination of value and loss difficult and uncertain.

#### Costs of Repair Higher

Costs of Repair Higher

The costs of repair have increased. The policyholder is very assertive when it comes to the question of cost of getting the building back in shape, but he very often denies, when a question of average or coinsurance is involved, that there has been a comparable increase in the value of the building. The adjusters are having serious difficulties in ascertaining the amount of loss on the larger building losses. He said he is in the midst of an adjustment on the six story reinforced concrete warehouse that was badly damaged by the Jersey City fire last May. He has had no difficulty in agreeing with the owners on specifications of repair, but the owners are finding great difficulty in getting any bid for doing the work. Fifteen large contracting firms were invited to bid. Thirteen said they were not interested and the two that did reply offered to make the repairs on a cost plus basis.

The situation has not yet seriously affected adjustments of losses on

plus basis.

The situation has not yet seriously affected adjustments of losses on household and personal effects except as to objects of art and antiques. Few people any longer are interested in such

people any longer are interested in such articles.

Fixtures and particularly machinery are often subject to priorities. Their prices are rising and deliveries are being set for later and later dates. The second hand markets are being swept clean. Replacements are difficult. No one desires to bid on repairs. Cost plus offers to repair damages are all that can be had frequently. Much imported merchandise can no longer be replaced by shipments from the country of origin, the production of much other merchandise is limited by quota and prices are rising. The one bright spot is that the companies are not asked to salvage anything like as much merchandise as they were formerly. Owners prefer accepting allowances for damages rather than a salvage operation which takes the merchandise out which takes the merchandise out of their premises.

Boards of health are more active than

(CONTINUED ON PAGE 17)

proviso that the ruling shall not be construed as preventing any uniform, non-discriminatory rate reduction, pro rata term insurance or the customary credit for periods not exceeding 90 days

### Tackle Problems in Detail at Breakfast Conferences

to agents came in for detailed treatment at the four breakfast conferences Tuesday morning at the convention of the National Association of Insurance Agents in Kansas City. At these conferences agents get a chance to go deeply into subjects in which they have

deeply into subjects in which they have a particular interest.

Alex H. Case, Marion, Kan., chairman of the rural agents committee, was in charge of the rural agents' breakfast conference. David A. North, New Haven, handled the one on membership; C. W. Schoelzel, Denver, fire prevention, and A. B. Millard, Grand Rapids, Mich., accident prevention.

#### Scholarship Program

Rural agents went over the 4-H Club

Rural agents went over the 4-H Club scholarship program of the Farm Underwriters Association. The reputation, the future of stock farm insurance for the agent and company is at stake, R. W. Forshay, Anita, Ia., declared, and rural agents must go home and sell this new program to their fellow agents and to the rural public.

A scholarship program for rural youth is logical because there has been so much government promotion of the cooperative system of doing business, B. R. Walinder, farm department manager of America Fore and member of the Farm Underwriters Association, declared. Who is going to tell farm youth the story of private enterprise as a way of life and work? The stock companies writing farm business think their program is one way of doing this. This is, he said, just the start. The expectation is the program will go a lot farther until, perhaps, it will be nation-wide.

#### Will Help Other Business

The scholarship program will not only affect farm business. Since 60 percent of farm youth leaves the country for the city, stock insurance generally will benefit, he said.

The Farm Underwriters Association is presenting the plan frankly and honestly for what it is, a way of getting the stock farm insurance story to its market.

the stor

The plan gives rural agents a chance to tell the farmer the story of how a part of the premium dollar he pays protects his "uninsured values"—the work of the National Board, Underwriters Laboratories, and now the Farm Underwriters Association, Mr. Case

E. N. Hopkins, formerly with "Successful Farming" and widely experienced in rural scholarship work, is supervising the program for F. U. A. He

Many of the matters of vital concern explained that the number of scholarships assigned to each of the 15 mid-west states is based on the premium income from those states. Illinois will have six of the \$100 scholarships, Indiana four, Iowa four, Kansas three, Kentucky four, Michigan two, Minnesota two, Missouri four, Nebraska two, North Dakota two, Ohio two, Oklahoma two, South Dakota two, Tennessee four, Wisconsin three, In addition

see four, Wisconsin three. In addition three special scholarships of \$250 each will be awarded. The 4-H Club leaders in the state will select winners. Ed H. Born, Chicago, secretary of the Farm Underwriters Association, is sending out details of how the program works

#### MEMBERSHIP BREAKAST

About 40 attended the membership breakfast, which turned out to be a very lively session. As Mr. North pointed out, the state association people put across the successful National Association membership campaign, and they were flush with victory. They were also alert for new ideas.

Agents strongly endorsed the suggestion of Mr. North that those in a state group responsible for membership be furnished with copies of the "manual on membership work" he has gotten up. This contains successful members About 40 attended the membership

up. This contains successful member-ship building methods and procedures.

#### **ACCIDENT BREAKFAST**

The breakfast conference on accident

The breakfast conference on accident prevention was attended by 27, an increase over the similar conference at Oakland. A. B. Millard, Grand Rapids, Mich., chairman accident prevention committee, presided.

Mr. Millard outlined the purposes of the committee following which there was considerable discussion as to how best to accomplish the results desired. One of the most discussed subjects was that of having speakers who are sent that of having speakers who are sent out by the various bureaus to address civic bodies and the like always ar-range to be introduced as a representa-tive of the capital stock insurance company. It was pointed out that in this way more recognition would be given to the local agents. Speakers from the National Board, Western Actuarial Bureau, etc., might well recognize the local agents attending meetings where they

beak. Several of the speakers expressed the opinion that standardized procedures for accident prevention be provided for

#### From Salt Lake



FRED A. MORETON

Fred A. Moreton of Salt Lake City is one of the important members of the National executive committee, who is much on the job at Kansas City.

distribution, yet any plan should be a continuing one for several years.

The letter recently sent out by the

Aero Underwriters on accident preven-tion was discussed and it was agreed that such material is of real value to those in the aviation field. It was sug-

those in the aviation held. It was suggested that material similar to this might be prepared for home owners and those in industrial pursuits.

Howard Fullington, Wichita, stated that their office has concrete evidence that the letter of the Aero Underwriters was accepted by the pilots with favor and had much educational value.

It was suggested that it might be

well to change the names of some of the organizations so that they could be the organizations so that they could be more quickly identified with the capital stock companies. For instance, the National conservation Bureau name may lead some of the public to think that conservation of fish or forestry is

There was some feeling expressed as to the inability of certain cities to obtain speakers from the National Bureau of Casualty & Surety Underwriters and from the casualty and surety companies. The mutuals seem to have little

nies. The mutuals seem to have inthe trouble in providing speakers.

Arthur Hirman, Rochester, Minn., announced that the mutuals have an organization sponsored by them, which is a very active body on accident presention.

Mr. Millard told the agents that much good would accrue to all interested in accident prevention, if each (CONTINUED ON PAGE 27)

### **Agents Study Work** of Local Boards in **Group Conferences**

#### Many Worthwhile Ideas Are Brought Out on Tuesday Afternoon

The local board group conferences are always a popular feature of conventions of the National Association of Insurance Agents. This year they were held in the Municipal Auditorium in Kansas City on Tuesday afternoon and were divided into groups on the usual lines, population up to 50,000, from 50,000 to 250,000 and above 250,000. Each attracted a large crowd, and, as always, the lines were not drawn rigidly, many members stepping out of their class where a particular subject intrigued them.

The Group 1 conference of local boards, which included representatives from towns of population up to 50,000, had Earl Johnson, Raleigh, N. C., as presiding officer. The meeting was well attended, there being about 100 present.

The subjects discussed were forma-The subjects discussed were forma-tion of new local and county boards, lo-cal board meetings, public relations, methods of obtaining favorable publicity, and the suggested fire prevention ordi-nance. Each of these subjects proved very interesting, and a number of agents took part in the various discus-

One of the features was the demon-stration of how to organize a local board. stration of how to organize a local board. The panel was composed of Frank Wilkinson, Rocky Mount, N. C.; Reginald Price, Charlotte, N. C.; Thomas O'Berry, Goldsboro, N. C., and Mr. Johnson. This made a big hit with all those present.

made a big hit with all those present. In the discussion that followed it was the opinion of many that agents have muffed their opportunity on public relation work, that they should have cashed in much more than they have.

Several agents from various parts of the country told how their local boards are operating, and many of them spoke in particular of the way city and public business is being handled.

business is being handled.

#### GROUP 2

Several local boards have evolved successful methods of securing and hand-ling the insurance of municipalities, ling the insurance of municipanties, school boards, and in some cases counties through the board, it was brought out in the Group 2 conference for local boards in cities of 50,000 to 250,000 population. About 75 attended. S. H. Reynolds, Kansas City, Kan., presided, and Lyle Gift, Peoria, president of the Illinois association, acted as secretary.

The Oklahoma City board started five

nois association, acted as secretary.

The Oklahoma City board started five years ago on county business. It was hard to get agents behind the program, difficult to sell officials on the idea, but once started, the idea gained momentum. One public building worth \$25,000 was insured for \$125,000. But there was only \$2500 on contents worth much more. \$2,500 on contents worth much more. The business was surveyed and scheduled, written in seven policies. As each of these expire another agent gets the renewal, and in ths way the benefits are distributed evenly.

#### Gets Other Business

The board then tackled municipal and school board business and got it. Now it is getting the bonds on officials. One effect of the program has been

to increase membership from 40 to 110.
The board now has a strong selling point, since agents can't share in the (CONTINUED ON PAGE 31)





Groups at Kansas City during N. A. I. A. meeting—Front row — John T. Fahy, Kansas City agent; Pierce North, B. D. O. assistant director; middle row—Charles Carroll, Spokane, Wash.; Harold Mann, Tacoma; back row—W. D. Coan, Spartanburg, N. C.; Frank C. Colridge, Oakland, secretary California association and secretary of the Pacific Coast councillors group; H. I. Callis, Santa Barbara, Cal., California national councillor and chairman of Pacific Coast councillors group.





### IT'S GOING TO BE A BUSY WINTER!



The winter of 1941-42 will go down in history as one of the greatest eras of production in the annals of American Industry. Already the output of our great factories is beginning to roll out in characteristic mass production volume with the peak, in unheard of totals, expected in 1942.

Old plants, expanded plants, new plants; furnaces, presses and lathes operated by the brains and straining muscles of the largest industrial army ever assembled are rapidly approaching top speed.

American Industry is ready!

Such unparalleled industrial activity not only increases the possibility of accidents but is accompanied by greatly enlarged earnings of individual workers which in turn will be translated into purchases of homes, automobiles and

COLUMBIA CASUALTY COMPANY

many other things. It's your job and our's to protect Industry and Individual by insuring the factories, equipment and products of the first and the homes, private possessions and well-being of the second. Insurance must hold them secure against financial loss arising from destructive accidental damage, personal injury and other insurable causes.

Yes, it's going to be a busy "insurance winter". The Commercial Union Group of seven Fire and two Casualty capital stock insurance companies is ready with unexcelled financial resources, a friendly, experienced staff and modern insurance facilities to enable you to make the most of it.

We invite your inquiry about joining with us.

HOME OFFICES NO. ONE PARK AVENUE NEW YORK N. Y.

COMMERCIAL UNION ASSURANCE COMPANY, LTD.
AMERICAN CENTRAL INSURANCE COMPANY

THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LTD. THE BRITISH GENERAL INSURANCE COMPANY, LTD. UNION ASSURANCE SOCIETY LIMITED THE COMMERCIAL UNION FIRE INSURANCE CO

NEW YORK CHICAGO ATLANTA SAN FRANCISCO



are ons nce the on into up and rge not

ing ubocal 000. well malo-ons,

cuson ard. Vil-iald rry, This ave ela-hed

of ards

rdi-

ved

blic sucind-ties, ounocal oop-eyand Illi-

am. but um. only each the are

five was

Vow 110. ling the

### Councillors' Conferences Bring Out Varied Issues

On Monday afternoon the four territorial national councillors conferences were held. The most widely attended was that of the middle western territory, with George W. Carter, Detroit, chairman.

tory, with George W. Carter, Detroit, chairman.

In discussing questions before the conference Mr. Carter explained the meeting of the agency committee in New York last June to discuss with other producers the gradation of commissions and expense. The data that came before the committee at first he said was of such a character that the producers did not feel justified in making any recommendations. He said that the companies met the producers in a spirit of cooperation and they were frank in their discussions. The differences were largely as to fundamentals. He said in discussing a question of this type technical and actuarial features come into play and the agents were placed at a great disadvantage because they lacked such knowledge. Therefore he suggested that the various producers organizations unite and employ a full time actuary. With his assistance the producers then could approach the subject on a sound basis. He said that what is needed is a consideration of values and equities. The subject of employing such an actuary, he said, is now in the hopper.

#### Army and Navy Plan

Army and Navy Plan

He discussed the army and navy plan of handling workmen's compensation and liability insurance with a fee paid to a counsellor for advisory service. In a few states, such as Texas and Florida, the insurance department has held that the adviser must be a licensed agent.

Mr. Carter paid his respects to the multi-split rating plan and advised the agents to check the rates of their customers, especially those of special occupations. He said that the charge for accident frequency in some cases is bearing the load of a charge for severity when there have been no severe accidents. Some risks, he said, may have great frequency of claim but no fatal ones. Some way, he said, should be found where such an assured should be relieved of the severity charge.

Mr. Carter referred to the standard fire policy subject, stating that there had been a number of suggestions, but no final decision had been reached. He referred to the uniform broker of record letter that he thought was uniform throughout the middle west. He discovered.

letter that he thought was uniform throughout the middle west. He discov-ered that Michigan had a different letter

from that used in Illinois, Indiana and

Ohio.

In referring to the non-partisan rating bureau plan where both mutual and stock companies are members he saw no immediate hope of making any change.

#### A. W. Jenkins Speaks

He called on A. W. Jenkins of Richmond, Ind., to tell about a complaint where the three-fourths value clause is where the three-fourths value clause is used in unprotected territory. An as-sured may want extended coverage but he cannot get the credit for the 80 per-cent clause because of the three-fourths value clause.

Another point was made that a person may work entirely in a city and make his living there and have his home with some acreage just outside the city limits. Mr. Carter said that he should not be classed as a farmer and be given the farm rate. farm rate.

farm rate.

Another member brought up the subject of a three year term policy where the assured may be required to file a schedule of value every year. L. C. Hilgemann of Milwaukee made the point that the local rating bureau should have the option of deciding whether this finding was precessary or not.

ing was necessary or not. Chairman Carter made the observation that there is a vast difference be-tween a minimum rate and a minimum premium in fire-proof risks.

#### Reducing Cost of Distribution

He commented upon the agitation for reducing costs of the distribution of in-surance. He then called attention to the fact that in many points the companies are appointing non-policy writing agents and thus doing all their work, relieving them of all expense. Yet they are paid the same commission as the policy writthe same commission as the policy writing agents. Mr. Carter very emphatically said that this practice should be stopped. He declared that if companies can afford to pay the expenses of non-policy-writers and pay them the same commission as regular agents, it shows that rates are too high.

that rates are too high.

Mr. Carter referred to a practice that is found here and there where, for instance, a casualty running mate of a fire group writes excess or stop loss coverage. He said that he had heard high age. He said that he had heard high executives advocate this. Mr. Carter said that it was inconsistent for the fire companies to adhere steadfastly to orthodox practices and the casualty company to engage in this line of business which should be done only by a reinsurance company. Mr. Carter said that one

should either be a reinsurance company if it desires to do this kind of work or it Chicagoan Featured

if it desires to do this kind of work or it should quit it.

The chairman referred to company advertising in regular magazines and deplored the absence of human interest. He said, for instance, that A. T. & T. has a monopoly on the telephone business. Yet it uses advertising to tell people were interesting stories about its ple very interesting stories about its work and customers. He said that in-surance companies too often resort to figures in their advertising and the pub-lic is not very much interested in them. he is not very much interested in them. He said that he had never had a customer tell him to place business in any company that was doing national advertising. If the agent is rendering proper service he has the confidence of his clients and they leave the matter of selecting companies to the agent.

#### Article in "Printer's Ink"

Article in "Printer's Ink"

Mr. Carter recommended that agents read the August issue of "Printer's Ink" perusing the article, "The Munich of Casualty Business." He referred to two agents in Kentucky, one living in a place of 1,500 people and the other 3,000. The first averages \$50 per capita in his insurance and the other \$40. He said that every agent might analyze his situation in the same light.

Mr. Carter said that the background of every risk is very important for a solicitor to know. In dealing with some reflections on insurance, he said, that the insurance business deals entirely with words.

#### Automobile Collision Competition

C. F. Liscomb of Duluth told about C. F. Liscomb of Duluth told about the intensive competition of non-bureau companies writing the 20-80 collision automobile policy. F. S. Preston of Minneapolis stated that the bureau companies should authorize this form because the customers like it and eventually competition will force them to do it. The step should be taken at once, he said, before the agents lose so much business.

Alex Case, Marion, Kan., referred to the rural electrification project, saying that owners of property have been trying to get proper protection for their lines after the contractors turn them over to the R.E.A. associations. He said that unless this is done the govern-ment will devise some sort of insurance protection.

#### Concern Over Merger Report

L. C. Hilgemann of Milwaukee re L. C. Hilgemann of Milwaukee referred to the report that he had heard, it being the proposed merger of the Factory Association of Hartford, the Western Factory and the Pacific Coast Factory. He was much disturbed about this and said that if there was any merger the underwriting and negotiation



ALLAN I. WOLFF

Allan I. Wolff of Chicago, past president of the N.A.I.A., was the presiding officer at the successful "Pattern For Production" period Monday. He is chairman of the agents advisory council of the B.D.O.

plans of the Western Factory should not be taken away from the middlewest. Chairman Carter in one of his most positive statements said that the Western Factory has been a great boon to the agents of the middle west and if there was any movement to merge it with other bodies there would be a rebellion among the agents.

#### Welsh and Calhoun Speak

W. J. Welsh of Kansas City, in talk-ing about the merit rating system for automobile fleets, said that there was no way to produce debits and he thought

this was a mistake.

W. B. Calhoun, Milwaukee, told about uniform forms being filed with the Wisuniform forms being filed with the Wisconsin insurance department and hence the audit bureau tells the agent what form to use. Mr. Calhoun said that this is embarrassing. He said there are inconsistencies in the forms and if those are to be mandatory as filed with the department he wanted them brought up

to date.

He also entered an earnest protest against the National Bureau of Casualty (CONTINUED ON PAGE 30)

### Preside at Territorial Conferences of National Councillors



R. M. L. CARSON, Glens Falls Enstern



ED. H. MOORE, Birmingham Southern



GEORGE W. CARTER, Detroit Middle West



HAROLD I. CALLIS, Santa Barbara

#### Hildebrand Head of Secretaries

W. O. Hildebrand of Michigan was elected chairman of the full-time secretaries and managers of local and state associations of local agents at the annual dinner of the group at Kansas City Mon-day. Mrs. Lillian L. Herring of the Illi-nois association was elected secretary, succeeding Alfonso Johnson, Dallas, who was named to the new position of pubrelations director and editor of the bulletins.

The secretaries voted to have a half-day session at the midyear meeting in

Augusta, Ga.
About 50 attended the dinner meeting



un-

nld est ost to

re-

alkfor 110 ght out Visnce hat inosc

up

W. O. HILDEBRAND

for executive secretaries and managers of local boards and state associations Monday evening at the convention of the National Association of Insurance Agents in Kansas City. Alfonso Johnson, Dallas, arranged for the session, and R. Lea McClelland, secretary of the Louisiana association, presided. Miss Louise Price, secretary Kansas City association, got a big hand for her work on the convention and the secretaries meeting; Frank C. Colridge, Oakland, Cal., took a bow.

#### Former Commissioner Speaks

Several speakers appeared on the program, including Erie C. Gambrell, president Texas association; W. O. Hildebrand, secretary Michigan association; A. B. Millard, local agent at Grand Rapids, Mich., and Harry E. McClain. secretary Indiana association and former Indiana insurance commissioner.

Mr. Hildebrand suggested as a fine public relations effort for executive secretaries and for local agents as well assistance in defense fire auxiliary services.

A strong plea for an introduction of those representing stock companies and their organizations that will, when they appear before lay groups, be explanatory and lead to understanding was made by Mr. Millard. He said that often when these men are introduced, there is no reflection of "kudos" on the local agent representing such companies and organizations because the introductions leave the listeners blank or mystified.

Mr. McClain discussed collection of dues from agency members.

dues from agency members.

#### Tribute by Gambrell

A tribute was paid secretaries and managers of state and local associations by Eric C. Gambrell, Dallas, president Texas Association of Insurance Agents. The secretary is an important factor in the American agency system, be said and is the spark plug of any factor in the American agency system, he said, and is the spark plug of any association, or should be. It is interesting to note that the fire and casualty business enjoys good health in those states which have the best state and local associations, and these are often those with a good secretary, he said.

He must be energetic, practical, a mas-ter in teamwork and a great many other things.

Mr. Gambrell pointed out that if sec retaries and managers really want to professionalize their jobs, no one is going to do it for them. They must do it for themselves. However, good secretaries should be adequately paid and have the security of a contract over a period of years. period of years.

The Chicago "Journal of Commerce" was distributed every morning at the hotel rooms through the courtesy of Fidelity & Deposit and American Bonding. Insurance Editor A. L. Kirkpatrick was on hand to report the meeting.

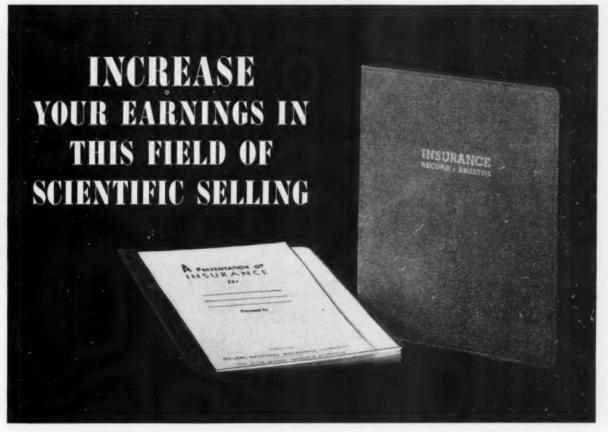
#### Executive Committee on Defense Bond Campaign Adopts Resolution

The executive committee of the National Association of Insurance Agents adopted a resolution calling on each member agency to push the payroll allotment plan for purchase of defense s ings bonds and stamps. The resolution suggests that each member be urged to do this and also that the National association work with state and local associations and contribute to a publicity cam-paign, both through its own house organ

and state association organs and also through the insurance press.

The most unusual loss reported at the convention of the National Association of Insurance Agents was mentioned by Sydney Nelson, Racine, Wis. A cow that had been licking salt turned her attention to an automobile, licking the fender. The paint came off the affected portion and the loss was paid under comprehensive. comprehensive.

For the first time within recent memory the convention sessions were held in a hall with a "Ne Smoking" rule. It was not popular.



#### The Surface in this Field of Scientific Selling is Barely Scratched . .

Yes, there is opportunity in the virgin field of Scientific Selling.

While selling itself is an old occupation, scientific selling as we see it coming into being is as new and in many ways as unknown as tomorrow morning.

There is a world of work to be done in Scientific Selling and there is a world waiting, ready and anxious, to give recognition and reward to all who can qualify for the doing of it.

The closest approach thus far toward Scientific Selling in the insurance business is the survey and analysis approach. While much is being said these days on the virtue of surveying risks, it is still a virgin field that spells OPPORTUNITY for those who make the most of it in their daily work.

So our agents can do this job well we have assembled for them practical tools-record blanks, work sheets, check lists of Coverages Applicable, etc., all with attractive binders as pictured above.

Return the coupon below and we shall give you more detail on this service . . . no obligation.



### MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

Yes! I am interested in your Survey and Analysis service so without obligation on my part please give me more details

ADDRESS ...... N U 1041

SERVICE HEADQUARTERS FOR ALERT AGENTS

#### V-Plan Gives Vehicle for **Uncontroversial Projects**

The annual convention of the National The annual convention of the National Association of Insurance Agents in Kansas City this week had as its theme "V-Plan for Insurance." Throughout the official program this slogan appeared and it was the high note of the gathering. Secretary W. H. Bennett in his keynote speech set forth the basic principals of the "V-Plan." It is acknowledged to be a vision but it is hoped to be put into practical use in a number put into practical use in a number ways.

the After the mid-year meeting had opened in California in the spring, Secretary Bennett and his staff began conmid-year meeting retary Bennett and his staff began considering the mobilization of non-competitive topics and features in the insurance business. The organization has spent much time in pondering over provocative measures. It has been militant in this respect and has accomplished much. However, in this case it was felt that the National association might well lead a movement to bring together well lead a movement to bring together features of the business that did not invite controversy.

invite controversy.

Hence a survey of the field was made. It was found that there were some agencies that were doing a good work but lacked a high degree of efficiency. There are others that needed to be stimulated and brought more to the front. Some were dying of inertia. Some had gotten beyond the confines of reason. It was discovered in many fields there was a great waste of energy, thought and money. thought and money.

#### Speakers Bureau Idea

Take for example the so-called speakers' bureau plan. A number of insur-ance institutions have endeavored to pro-vide speakers for insurance bodies but especially for outside associations. There has been no sponsorship of this movement and very little guidance. Then again it was found that there is no buy-Then ers clinic closely associated with insur-ance where laboratory work is being done. It was felt that much could be accomplished by a centered and scientific study of the needs of premium payers.

Then, as those interested in the study continued their work, it was seen that there was a lack of coordination of activities in almost all lines. Each was allowed to drift along according to its own desires. Companies and institu-tions were furnishing much valuable, educational and sales materials to pro-ducers. But there was a large amount of duplication and over-lapping.

#### Seek to Integrate Activities

Therefore it seems most necessary to attempt to integrate, so to speak, the activities along these special lines and to bring them more closely together so that the highest point of efficiency might be reached. It was discovered that there were a number of avenues that might be traversed and as time went on it was seen that great benefits would be derived by more careful planning. Many of the great industries have accomplished much through their laboratory and clinic work and it will be the purpose of the National Association of Insurance Agents to study the courses followed by these great enterprises and adapt them as far as possible to the field of insurance.

#### Sidelights on Agents Rally at Kansas City

Two former presidents of the Kansas Association of Insurance Agents who have become life insurance presidents attended the Kansas City convention of the National Association of Insurance Agents. W. S. Thompson, who retains an interest in the Thompson-Kline agency at Hutchinson and who has been a local agent for 45 years, now is presi-dent of Great American Life of that city. Holmes Meade, whose Meade Investment Co., Topeka, is one of the



Views at national agency rally at Kansas City—J. B. Thomas, St. Louis, Missouri state agent National Union; Miss Catherine Collier, Kansas City; H. A. Yates, vice-president National Union; Mrs. Harris McCullough, Harris, Mo.

largest agencies of the state, is president of National Reserve Life.

G. W. Carter of Detroit gave a talk at the Tuesday luncheon of the Asso-ciated Industries of Missouri, in which he spoke on insurance and values, show-ing how they are inter-related. Mr. Carter was secured by W. A. Sullivan, business manager Loose-Wiles Biscuit

The mammoth bouquet of yellow chrysanthemums on the stage at the Auditorium was the gift of U. S. Manager W. M. Frink of Norwich Union.

W. M. Murray, formerly with the Illinois insurance department and a former Chicago agent, is attending the meeting. He is manager of the Anderson Insur-ance Agency, Phoenix, Ariz. He will visit Springfield, Ill., and Chicago before migrating to the far west.

J. S. Thompson, former Missouri insurance commissioner, now connected with Kansas City Life, shook hands with many old friends.

The past presidents' dinner is being held Thursday evening prior to the ball. Sidney O. Smith, Gainesville, Ga., retiring chairman of the executive committee, is master of ceremonies.

tee, is master of ceremonies.

Miss Frances Kypke, superintendent of the bonding department of Massachusetts Bonding, Kansas City, attended the educational sessions, took notes, and later is sending a report on the highlights to agencies in Kansas and Missouri unable to attend the convention. This made a big hit with agents on the occasion of another convention recently.

#### Truman to Resume Post

Ralph Truman, former special agent of the arson bureau of National Board, in charge of Kansas City territory, has resigned from the army, into which he was mustered some time ago as a national guard officer, and it is understood will resume his National Board post. Mr. Truman communicated this information to E. L. Donovan, chief of the arson bureau in the Chicago office, who has charge of the entire central west territory.

#### Gloriot to Be Quiz Master

With Marcel Gloriot, assistant manager of the automobile department of the National Bureau of Casualty & Surety Underwriters in charge, a question and answer round-table discussion will feature the meeting of the Richmond County (N. Y.) Association of Local Agents, Friday. Features of the new financial responsibility law of New York will be especially considered York will be especially considered.

C. H. Sanders, Cincinnati, resident vice-president of American Automobile and lieutenant-colonel in the Ohio state guard, has been elected junior vice-commander-in-chief of the Military Order of the World War.

### to Meet in Omaha

KANSAS CITY-The officers and KANSAS CITY—The officers and members of executive committee of the American Association of Insurance General Agents met in Kansas City this week and it is very likely that the annual meeting will be held in May in Omaha. All the executive committee were present except Daniels of San Erappires American Agrantical Agents these agreement were Francisco. Among those present were H. C. Stebbins, Denver; Geo. E. Edmondson, Tampa; Louis Johnson, Charleston, S. C.; Fred Lanagan, Denver; Stuart Scruggs, Dallas.

#### Property Floater in New England

Rhode Island is the only New Eng-Rhode Island is the only and Land land state where a formal hearing on the personal property floater has been held by the insurance commissioner. When by the insurance commissioner. When the New England agents met in their the New England agents met in their annual get together last June, the subject was discussed informally by the advisory board of the New England Associations of Insurance Agents and some of the commissioners present there. Some of the commissioners in New England expect the subject to come up before them when they meet later this year but nothing formal has been presented for consideration.

#### Consent Decree Entered

While maintaining they are not engaged in interstate commerce, official representatives of all types of insurance representatives of all types of insurance companies announced some months ago voluntary compliance with the wage and hour act on behalf of their employes, and hence are not affected in the action taken on behalf of the federal government against American of Newark, taken on behalf of the federal government against American of Newark, newly ended by a consent decree recently entered. As American was scrupulously obselrving the provisions of the act, the action was doubtless instituted to clarify certain requirements and not with an idea of contesting the law. ing the law.

#### Elwell Slated in Newark

E. W. Elwell, U. S. manager of Royal Exchange, will address the New Jersey Field Club in Newark, Oct. 20, on 'Europe.'

Mrs. N. P. Cowan was honored at a luncheon meeting of the Insurance Women's Club of Tulsa by the presentation of a life-time membership, on her retirement from active work. Mrs. Cowan has been associated with the American Agency Company of Tulsa for a long time. Cowan has been associated with the American Agency Company of Tulsa for a long time. She is a charter member of the club and has been an active member ever since it was formed.

#### Oscar Jones Is Feted at 35 Year Mark in Ft. Worth

Oscar C. Jones, senior partner in the local agency of Oscar C. Jones & Son, Fort Worth, is celebrating his 35th anniversary in the business. Mr. Jones, previously in the railroad business at Asheville, N. C., started in his present business with the old firm of Collett & Seibold. He was manager of the agency when he left to enter business for

self.
Mr. Jones has during the entire 35 years, maintained offices in buildings situated on Seventh street at the intersection of Main or Houston streets. Present offices are in the First National Bank building.

#### Given Surprise Luncheon

Associated with him now as partner is his son, Worley Jones. The present agency was organized in 1939. Mr. Jones was feted by a surprise luncheon given by the companies. J. H. Speed, state agent of Royal, served as toastmaster and presented Mr. Jones with an electric clock.

master and presented Mr. Jones with an electric clock.

Those present included: M. H. Grannatt, assistant U. S. manager; P. M. Marshall, regional manager, and J. H. Speed of Royal, which Mr. Jones has represented all 35 years; Edward Wright state agent, and Tom W. McAfee, special agent, National Union; W. Hugh Hunter, Jr., special agent Continental; Foster Yancey, partner, and Erle Patrick, head underwriter of T. A. Manning & Sons; Sam H. Riley, resident manager, Massachusetts Bonding; Tom S. Gillis, former partner of Mr. Jones, Melvin J. Miller and Americus G. Johnson, who were also employed in the Collett & Seibold agency and D. G. Foreman, secbold agency and D. G. Foreman, secretary Texas Association of Insurance Agents.

#### Currier & Ives Print of Chicago Fire Given F. D. R.

An original Currier & Ives colored An original Currier & Ives colored lithograph representing the Chicago fire of 1871 was presented to President Roosevelt by the National Board in commemoration of the 70th anniversary of the fire. W. E. Mallalieu, general manager, in a letter to the President, recalled that this year is the 21st anniversary of the first fire presention proclasary of the first fire prevention proclamation, which was issued in 1920 by President Wilson who was impressed by the great importance of fire prevention in connection with speedy prosecution of war and the need of the civilized world for American products to replace the ravages of war. Mr. Mallalieu said the print was presented to the President as a token of appreciation for support of the National Board's fire prevention efforts by public officials and govern-mental agencies for many years.

#### **Tipple Equipment Scarcity** Accents Ohio Loss

Fire which started from the treating of coal for stoker purposes destroyed the tipple, power house, sub-station and other buildings of the New York Coal Company at Chauncey, O. Property damage is \$100,000 and U. & O. loss is roughly estimated at \$50,000. Eight cars of the New York Central lines also were consumed.

It is said that the plant cannot be re-

It is said that the plant cannot be rebuilt unless the government grants it priority on the necessary materials.

Tipple equipment, particularly washers, is just about unobtainable these days, as the insurers have discovered from experience with two losses in Indiana recently.

#### Group Sponsors U.S.O. Drive

Cincinnati Fire Underwriters Associa-tion has assumed responsibility for a large down-town district in the drive for U.S.O. St. Clair Bevis is chairman and J. F. Schweer, association secretary, is associate chairman. The drive starts Oct. 19.

941

the

on. ni-ies,

at ent

im-

35 ngs va-

ner ent Mr.

st-

M.
H.
has
ght
peigh
tal;

ger, lis, J.

nce

red fire ent ary ral re-

by ion ion zed

ace

ent

ort

red

nd

rty

ars

re-it

ese In-

for nd is

#### W. U. A. Assistant Is Now on Inactive List



Harry W. Chesley, widely known in fire insurance circles in the middlewest as assistant manager of the Western Underwriters Association of Chicago, on account of impaired health, has been at his request relieved of active duties as of Oct. 1, and transferred to the reserve list of employes of the association. Mr. Chesley took up service with The Union Oct. 1, 1920, and for 21 years was active in company organization work. in company organization work.

#### Has Unusually Wide Acquaintance

With a genial disposition and a faculty for meeting people he had an extremely wide acquaintance among fire insurance executives, the personnel in fire insurance company offices and field men. He will be missed wherever fire insurance men of the middlewest congregate and in the office of the association there is a feeling, both on the part of the staff and of those who call, that an important part of the personality of the organization is missing. missing

missing.

Mr. Chesley is settled in a new home on Crosby street, South Yarmouth (Cape Cod), Mass., and is devoting himself primarily to the care of his health which is reported to be improving.

### Maryland Agents to Gather Oct. 23-25

The annual convention of the Maryland Association of Insurance Agents will be held Oct. 23-25, at Fort Cumberland Hotel, Cumberland, Md. Following registration Thursday, directors will meet at dinner. Two films will be shown at an evening get-together meeting, the first a sound motion picture of the National Association of Insurance Agents' Kansas City convention, and the other, the National Board picture "Seventy-five Years of Service—A Report to the American People."

#### First Business Session Friday

The first business session will be Friday morning. President Guy T. Warfield, Jr., will preside and greetings will be extended by Mayor Irvine of Cumberland.

be extended by Mayor Irvine of Cumberland.

George W. Scott, director educational division National association, will talk on "Educatonal Possibilities of a State Association," He assisted in organizing the Maryland association.

Ray Murphy, assistant general manager Association of Casualty & Surety Executives, will speak on "The American Agency System's Part in the Defense Program." He will go to Cumberland directly from Washington, where he is appearing before the Senate finance committees on taxation of mutuals. A "Quiz Session" will be held on questions which agents meet daily.

There will be prizes for correct answers. In the afternoon there will be a mid-dle department forum with representa-tives of the Middle Department Rating Association on hand to answer ques-tions on rules and regulations.

An executive session will follow, with reports of officers and committees and election. An amendment to the bylaws will be presented, changing regional districts. The annual banquet will be held Friday evening with W. C. Walsh, attorney-general of Maryland, former, commissioner, as toastmaster. former commissioner, as toastmaster. G. G. Beamish, secretary London As-

surance, London, England, will talk on "How the British Companies Have Met National Defense Problems." Entertainment and dancing will follow.

Saturday morning, Frederick W. Selsor, Fidelity & Casualty, will discuss "The Position of Suretyship in the Defense Picture." David C. Gibson, vicepresident and director of advertising Maryland Casualty, will talk on "Advertising from the Local Agent's Standpoint."

Special entertainment features are planned for ladies who attend, including luncheon and bridge.

#### York to Eastern Marine Office of Fireman's Fund

Miles F. York, since 1922 in the Pacific coast marine department of Fireman's Fund, is being transferred to the Atlantic marine department in New Atlantic marine department in New York Jan.1 as assistant manager of that office. Mr. York has been ocean marine underwriter several years.

Sell more accident with "Why Disabil-ity Insurance" booklets. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.



### Ready for Work

Good stock ... in good condition ... fit and ready for steady, hard work. When teams like these are hooked on, the wheels will roll when and where they are needed.

The Agricultural and the Empire State are good stock companies-in good condition-ready always to help agents in every way possible. Steady supporters of the American Agency System-we believe in teamwork. We know local agents'

problems and carry on Home Office routine so as to lighten those problems.

"Friendly Folks" is what a lot of people call us. You may be sure we're proud of that nickname and try mighty hard to live up to it.

When you are ready for another good American stock company, let us tell you how we are ready and able to work with you.







Every Type of Property Insurance for Industry and the Home.

### AS SEEN FROM CHICAGO

#### TRAVELERS TO HOLD OPENING

Travelers' Chicago branch will move at the end of this week from temporary quarters in the Insurance Exchange to the completely modernized offices on the third floor of the north building which the branch has occupied for many years. There is additional space on the fourth There is additional space on the fourth floor with an internal communicating stairway. The entire office will present a new appearance, with new furniture and chairs, soundproofed ceiling, indirect lighting, venetian blinds, and private offices for the agency executives, their assistants and leading agents, replacing the familiar old "Live Wire Row."

A number of home office officials will attend an informal reception and opening in the new quarters Monday, Oct. 20, with Manager B. H. Groves, life, accident and group department; James White, casualty department, and A. B. Smillie, fire department; S. R. Plattenburg, cashier, and L. M. Sterling, adjuster in charge of branch claims department, as hosts.

puster in charge of branch claims department, as hosts.

On from Hartford will be Carl Pratt, comptroller; Maurice G. Vincent, branch office supervisor; Robert D. Safford, vice-president and assistant secretary Travelers Fire; Tracy W. Smith, superintendent of agencies, and Raymond N. Allen, assistant superintendent of agencies casualty division; Gordon W. Kuehner, superintendent of agencies, and Thomas W. Cole and Harry W. Anderson, assistant superintendents of agencies

Thomas W. Cole and Harry W. Anderson, assistant superintendents of agencies in the life department.

This is the most extensive modernization project that has been attempted in the Insurance Exchange, involving about seven months' work. An important feature was elimination of the elevator lobby so one steps from the elevator directly into the new Travelers' office. The service departments are on the fourth floor, these including the medical, claims, payroll audit and inspection departments. The cashiers' division is at the north end of the space on the third floor where it formerly was located, and the agents and production departments along the eastern side and in the central space. The group department is as formerly on the Wells street side of, the third floor.

Travelers until this change was well scattered in the building, having space also in the third floor of the annex. All departments now have been consolidated, making for greater efficiency.

#### NEW ASSOCIATE MEMBERS

At the annual dinner of the Life Members Society of the Fire Underwriters Association of the Northwest, one of the raditional ceremonies is the introduc-tion of those who have become full life members by reason of having joined Northwest association 25 years previ-ously and also the introduction of those who have become associate members by reason of having joined the Northwest association 20 years previously. Last week there was printed the names of those who become full life members and will be inducted at the annual dinner Oct. 21. Following is a list of those who become associate members at this

who become associate members at this time:

A. G. Allen, P. K. Morrison & Co., Muncie, Ind.; John A. Benz, assistant manager Sun, Chicago; Stephen E. Bickard, state agent N. Y. Underwriters, Fargo, N. D.; Robert G. Blair, state agent State Penn., Peoria, III.; Donald C. Brown, state agent Fire Association, Fargo; Frank E. Burke, vice-president Home, New York; J. H. Burlingame, assistant general manager Western Adjustment, Chicago; Thos. H. Byrd, special agent Automobile, Topeka; Elmer F. Carnes, state agent New Hampshire, Columbus; John Chickering, agency superintendent Sun, Chicago; Donald E. Chilcote, St. Louis; James R. Curran, state agent New York Underwriters, Kansas City.

Also: Stewart H. Davey, National Automobile Underwriters Association, New York, N. Y.; R. W. Davis, special agent Commercial Union, Nashville; Trimble P. Davis, state agent Phoenix of Hartford, Fargo; A. I. Doling, New Hampshire

Fire, Manchester, N. H.; W. C. Downs, special agent Aetna Fire, Kansas City; Frank M. Else, special agent Boston and Old Colony, Kansas City; Irvin C. Faber, National Union, Chicago; H. Earl Gibbs, western manager Boston, Lansing, Mich.; Jos. Hershberger, assistant state agent Royal, Columbus, O.; Wm. C. Howe, state agent Milwaukee Mechanics, Columbus; W. R. Hunter, Northern Assurance, Milwaukee; Henry L. Larsen, Fargo, N. D.; R. R. Lippincott, assistant manager Western Adjustment, Chicago; Arthur Lohmeyer, Columbus, O.; Dudley H. Luce, special agent Providence Washington, Lansing, Mich.; Carl H. Ludwig, special agent N. Y. Underwriters, St. Paul; H. O. McIntosh, state agent Hanover, Topeka; David H. Moore, assistant secretary National Liberty, New York; J. K. Nelson, Versailles, Ky.; Frederick O'Brien, O'Brien agency, Chicago; Harlold M. O'Brien, Chicago; Edgar E. Parker, state agent National, Chicago.

Also: H. H. Quinby, assistant secretary Travelers, Hartford; Z. Z. Savory, state agent London & Lancashire, Minneapolis; A. P. Skowrup, Milwaukee; Thor L. Swanson, Jones & Whitlock, Chicago; John C. Swisher, special agent Universal, Omaha; D. E. Tanner, state agent American Central, Columbus; Charles F. Tharp, Lumbermens Mutual, Mansfield, O.; Chas. F. Thomas, manager

W. U. A., Chicago; W. M. Todd, Toledo; John W. Weddell, Western Factory, Cleveland; Emmer Whitehorn, Petoskey, Mich.; Fred C. Wolf, manager Under-writers Adjusting, Detroit; V. L. Zim-merman, special agent, Crum & Forster, Elgin, Ill.

#### EXAMINERS TO HEAR CAMPRELL.

The first meeting of the season of the Fire Insurance Examiners Association of Chicago is being held in DeMet's Board of Trade Grill Thursday evening. The speaker is Don Campbell, credit manager of America Fore in the west, who will talk on "Can Underwriting Be an Exact Science?" Mr. Campbell is chairman of the insurance division of the National Association of Credit Men. The examiners association is entering its 28th examiners association is entering its 28th

A. H. F. Adland of Hartford Fire has A. H. P. Adland of Hartford Fire has resigned as president because he will soon enter into new duties. It is assumed that H. C. Brose of America Fore, the vice-president, will become chairman.

#### DAVIS GOES TO D. F. BRODERICK

Robert E. Davis has been appointed manager of the production department of D. F. Broderick, Chicago. For the past two years he has been doing special agency and sales promotion work for the Critchell-Miller agency.

Mr. Davis began his insurance work

with Fred S. James in Chicago and remained six years, doing underwriting and sales promotion work. He attended Northwestern University and the University of Illinois. He is a past director of the Chicago Junior Association of Commerce and of the National Junior Chamber.

#### C. P. A. GIVES ADJUSTERS VIEWS

The adjuster should never delay immediate inspection of the records of the mediate inspection of the records of the assured, upon arriving on the scene, Maurice H. Stans, head of Alexander Grant & Co., certified public accountants, Chicago, said at the luncheon meeting of the Adjusters Association of Chicago. It is almost invariably suggested to the adjuster, honestly or otherwise, that he delay inspection of the records, with the excuse that posting has to be made and that the records are not up to date, etc. The adjuster who not up to date, etc. The adjuster who permits such a delay fails to use his principal opportunity of minimizing the

moral hazard involved.

"It is difficult for me to understand,"
Mr. Stans said, "how an adjuster will
take great pains to notify the deputy
state fire marshal's office or the arson squad of the National Board of the ap-parent circumstances of a loss, and at the same time assume that the books and records, which are usually the real key



Nothing pleases an assured any more than to be able to see at a glance just how well he is insured. And nothing gives him this satisfaction any better than The Employers' Group Analysis Plan. This plan digs right inmakes accurate findings on his coverages and needs and presents all the data in a handy, visual-index type personal portfolio.

Just read one copy of our monthly magazine "The Pioneer" and you'll get the gist of this plan's selling effectiveness. You can have a copy free by writing to The Employers' Group Publicity Dept., 110 Milk St., Boston.



941

ing

ded ni-

ior

im

the

ene. der int-

of

ug-

the ing

are his the

id " will uty

ap-

and

to the adjustment, can be safely ignored until he is ready to look at them." An honest insured will not resent immediate examination and a dishonest insured will in many cases be restrained from pad-ding his claim.

#### VINCENT & CO. TO MOVE

W. W. Vincent & Co., Chicago agency, which for 13 years has been located in the Insurance Exchange buildring, will move Saturday into quarters one-third larger in 1765, Board of Trade building. An opening will be held Monday afternoon. The new telephone number is Harrison 3600.

#### EXPECT BIG BLUE GOOSE RALLY

An especially large attendance is expected at the luncheon next Monday of the Illinois Blue Goose at the Brevoort Hotel, Chicago, at which two motion pictures will be shown. This is the first get-together of the fall season and a large number of field men are planning to attend to renew acquaintances after the summer lull. Special emphasis is put on the fact that the luncheon will cost only 77 cents.

#### HINTON OPENS GENERAL AGENCY

F. K. Hinton, former manager of Alan H. Bonito & Co. in Chicago, who recently resigned, has opened a general agency in A-1620 Insurance Exchange, Chicago. He will announce later the companies which he will represent.

### FIELD

#### B. R. McCormick Joins New Hampshire in Minn.

Brent R. McCormick, who has been state agent for American in Iowa, has joined New Hampshire Fire as state agent in Minnesota. Mr. McCormick is a son of R. V. McCormick, who is state agent for American in eastern Iowa. Brent McCormick will be located in Minnespelie. in Minneapolis.

#### Goodin and Battle in Field Work for Hartford

Two employes in the western department of Hartford Fire have now been assigned to duties in the field. Yale Goodin, who has been an examiner, is now serving as special agent in St. Louis county under Manager George Fischer.

Joseph M. Battle, who for some time has been connected with the special hazard department under Joseph Lucas, Nov. 1, will operate as special agent in Kansas assisting Special Agents Butcher and Covington with headquarters in Topeka.

#### Give 16 Broadcasts in Iowa

DES MOINES—Fire prevention speakers appeared on radio programs over 16 Iowa stations during Fire Prevention Week, it was announced by Arthur Goodall, New York Underwriters, secretary Iowa State Fire Prevention Association. There were 28 speakers who talked over the radio before some 15 state conventions and numerous city civic clubs civic clubs.

Mason City will be inspected Nov. 19-20 with J. Burr Taylor, Western Actu-arial Bureau, as speaker.

#### Tenn. Public Relations Move

Paul Elldridge, American, president Tennessee Fire Underwriters Association has appointed a public relations committee composed of R. E. Bolling, Fireman's Fund, chairman: Henry Roberts, Boston, and J. H. Goodin, America Fore.

#### A. D. T. Man Speaks in Cleveland

CLEVELAND—Harry Clark, American District Telegraph Company, addressed the Cleveland Field Club on "How Modern Devices Defeat Sabo-

teurs." A demonstration of A. D. T.

teurs." A demonstration of A. D. 1. equipment was given.

The next meeting will be Nov. 17.
Frank J. Weber, Firemen's, N. J., president Cleveland Field Club, spoke before the Rotary Club of Steubenville, O., on fire prevention.

#### Murray with National Union

Jesse E. Murray, Jr., was appointed Missouri special agent by National Union Fire. He is a native Missourian educated in St. Louis, and for the last 15

years has been with the Missouri In- E. K. Scribner Named spection Bureau in various capacities. He will assist State Agent J. B. Thomas in servicing Missouri agents, with head-quarters in the Pierce building, St. quarters Louis

#### San Francisco Initiation Nov. 3

The San Francisco Blue Goose plans a ceremonial banquet Nov. 3 to initiate several new members, among them L. S. Moorhead, president of Associated Fire & Marine and Associated Indemnity

### Stuyvesant Vice-president

E. K. Scribner has been elected vice-president of Stuyvesant. For the past five years he has been connected with Iowa Mutual of Mason City. Lately he has been assistant secretary in charge of underwriting. Previous to that he was with the Federal Hardware Implement Mutuals at Stevens Point,



Arson is a favorite weapon of the saboteur...and the automatic sprinkler his deadly enemy. The arsonist's first move, therefore, is to shut off the supply of water to the sprinkler system, or otherwise to render it ineffective. And this he can easily do -unless the sprinkler system is electrically supervised to automatically detect and report such tam-

A.D.T. Supervision is the most effective safeguard to insure that sprinkler systems are constantly maintained in proper operating condition. The closing of any shut-off valve or any other condition that might impair the sprinkler's effectiveness, whether by accident or malicious intent, is instantly and automatically reported to the Central Station, which

immediately investigates every trouble signal and secures corrective action. A.D.T. Supervision makes the sprinkler system function also as an efficient automatic fire alarm system, automatically summoning the fire department the instant a sprinkler head opens.

Write for further information on this and other A.D.T. Electric Protection Services that are helping establishments in all fields to combat the threats of sabotage, fire and burglary.

These Services include Sprinkler Supervisory and Waterflow Alarm, described here; Aero Automatic Fire Alarm; Invisible Ray Alarm; Holdup Alarms; Burglar Alarms; Emergency Police Call; Watchman Supervision. Descriptive booklets furnished on request.

#### A.D.T. SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York, N. Y. CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



Electric Protection Services AGAINST FIRE · BURGLARY · HOLDUP A NATION-WIDE ORGANIZATION



At N. A. I. A. gathering in Kansas City—C. B. Gamble, vice-president F. & G. Fire; Mrs. O. R. Leeds; Mr. Leeds, manager U. S. F. & G., Kansas City.

### Fall River Loss Is Great Shock

(CONTINUED FROM PAGE 3)

stored in the print works building on Water street. This was a huge stone structure, six stories high and 600 feet long. It was the last of the structures to be attacked by the fire.

#### Gas Mask Factory

Other goods that were stored that are believed to have been involved were gas masks, barrage balloons, machine gun clips, self-sealing solutions for gasoline tanks and army belts. One of two large gas mask factories was destroyed, but machinery that was used to make other defense items was not involved to any

machinery that was used to make other defense items was not involved to any degree.

The fire started about 11 o'clock at night on the third floor of a five story brick building on the waterfront at Mount Hope Bay. By the time the fire department arrived the building was a mass of flames. The main gates were locked and the fire department was delayed in finding another entrance.

There were repeated explosions and the fire communicated to two other brick factories and finally to the old stone mill building. Those four buildings constituted a huge quadrangle. The oil soaked floors and highly combustible chemicals fed the flames.

The fire jumped Water street and ignited a four story brick mill that was occupied by the Albert F. Fyans Textile Machinery warehouse. Later flying embers set fire to the 2½ story wooden building at 36 Canal street occupied by Israel Cohen, automobile parts dealer. The building and about 80 automobiles were burned.

#### Curing Oven Flared

The fire started where seven workmen were tending curing ovens in which rub-ber automobile cushions were treated. The workmen said that one of the ovens The workmen said that one of the ovens flared, a not unusual occurrence, but this time they were unable to control the blaze. It spread to other ovens on the floor and then the walls and floors caught fire. About 1,000 men were at work when the fire started. The plant was working night and day on defense

Much interest will be shown in the salvage that is obtained from the rubber salvage that is obtained from the rubber that was exposed to fire and water. There has been a recent experience that may serve to indicate the possibility. Some 2,000 tons of rubber was in the Mid-Hudson Terminal at Jersey City that was destroyed last May. A good deal of that rubber suffered no fire damage whatever but was drenched with water. It had to be dried to prevent moulding. Then there was quite a supply of the rubber that was fused from the heat and there is hope that at the

core of this mass will be a supply of rubber that is in good shape. Even that which was directly exposed to the fire, it is thought, can be utilized in some

The Firestone company was acting as warehouseman at Fall River for the Rubber Reserve Corporation, that is financed by the RFC at par.

Since June 23, Rubber Reserve Corporation has been been builting all rubber im-

poration has been buying all rubber imports aside from those which the individual rubber companies are taking under future contracts that were previviously entered into. Rubber Reserve is undertaking to build a huge stock pile.

The insurance requirements of Rubber Reserve Corporation were worked out by a committee of five insurance brokerage houses known as the Defense Materials Insurance Committee. The servicing agent is one of the members of that committee, Johnson & Higgins, which does the actual work and dis-tributes the business among the other four members

#### Purchasing Agents

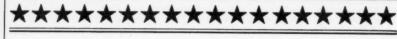
Five of the big rubber companies were designated as purchasing agents for Rubber Reserve Corporation to buy crude rubber for the account of Rubber Reserve, to transport, insure and store the rubber. The marine policies covering the transportation hazard, it is understood, are extended to cover the shore derstood, are extended to cover the shore risk, attaching until the rubber is re-leased for commercial use. Presumably

risk, attaching until the rubber is released for commercial use. Presumably 
practically all of the crude rubber at Fall 
River was that owned by Rubber Reserve Corporation, because the type of 
operations of the Fall River plant required the actual use of very little crude 
rubber. Hence, it is unlikely that Firestone had much crude rubber there for 
its own account. The Firestone Park 
Insurance Agency Company, which is 
located in the Firestone Park Trust & 
Savings Bank building in Akron, the 
president being Edwin J. Hanlon, handles much of the Firestone insurance.

The National Fire Protection Association made a formal announcement Tuesday that just four days before the fire at 
the Fall River plant it had made a confidential report to the War Department 
that the quantity of rubber stored there 
was a serious fire hazard. The War Department had requested a survey. The 
N. F. P. A. reported to the War Department that neither the building nor 
the sprinkler equipment was designed 
for such a hazard as rubber; that floors 
were removed to permit piling of the 
material to the height of a two or three 
story building; that cutoffs were not 
maintained properly between buildings, 
and that fire doors lacked closing mechanism or were blocked by shifting piles 
of rubber.

The N. F. P. A. recommended that the

of rubber.
The N. F. P. A. recommended that the great bulk of the rubber be removed to a safer location, keeping only small supplies on hand. The N. F. P. A. predicted that if fire should start in rubber



### WHAT'S BEHIND THE POLICY?

When you can say, "This policy is issued by a strong company", you advance an argument that does double duty—It helps to obtain new business; it helps to retain old business.



### PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

1600 Arch Street

Philadelphia, Pa.

Complete Nation-wide Insurance Facilities for Agents and Brokers

Service Offices located in principal cities.



stored in such quantities it would prob-

stored in such quantities it would probably spread and destroy the entire group of buildings. The N. F. P. A. explained that it was making public the letter because the fire had made the entire subject public property.

The \$17,000,000 of insurance which Director Roger S. Firestone states the Firestone Company carried on the 12 buildings of its Fall River plant, of which 7 burned, was all placed in the F. I. A. The loss of \$13,000,000 was divided into \$7,000,000 on the supply of some 17,000 tons of crude rubber, of divided into \$7,000,000 on the supply of some 17,000 tons of crude rubber, of which the Firestone Company owned about 2,000 tons; \$2,000,000 loss on machinery, and the rest on mill property and finished products.

The Albert F. Fyans Co., manufacturers of textile machinery, suffered a total loss on its \$50,000 plant which was insured in stock companies belonging to the New England Insurance Exchange. So far as can be learned, all the in-

So far as can be learned, all the insurance on the burned and damaged properties was carried in stock companies.

The Firestone mills were all stone or brick construction, fully sprinklered, and the Fyans was three story brick with

the Fyans was three story brick with frame construction.

Whether the sprinklers worked or not is the unsolved mystery of the fire. Underwriters believe the sprinkler system should have prevented the spread of the fire if they had been working at the outset in Number 5 mill, where the fire started

#### Gas Explosion Averted

An illuminating gas storage tank, holding 350,000 cubic feet of gas, was in the path of the flames and about three-quarters of the gas was pumped out during the first two hours of the fire, when the wind shifted and an extended plosion averted.

Roger S. Firestone, director of the company, stated the fire started in the foamed latex department and was discovered when smoke was seen coming from a cushion drying oven which was heated by steam coils utilizing low pressure steam. He said the ovens had been sure steam. He said the ovens had been operating properly a short time previously. Although state police and two score FBI men are on the scene, there seems little evidence to substantiate any claim of sabotage. It was expected the fire would burn for several days before it could be finally extinguished.

The tremendous loss and spread of the flames is laid to the several delays which occurred at the outset of the fire. Ap-

occurred at the outset of the fire. Apparently no fire signal was sent until some 10 minutes after the fire started, and when the firemen arrived it was found the signals had been crossed and the fire apparatus was at the wrong gate. Some time was lost in approaching another entrance. In any event, by the time the firemen were inside the plant area explosions were rapidly tearing the great Tower mill to pieces and flames were spreading to nearby factory

flames were spreading to nearby factory buildings.

The fire originated in the so-called manufacturing group of buildings in one of the dryer rooms, shown on most plans as building 105. An employe opened the door of the dryer room, which was 20 by 40 feet, saw the smoke pouring out and sounded the alarm. Preliminary reports indicate that there were either no sprinklers in the dryers or if there were, they were obstructed or inadequate. Once the fire started, it spread so rapidly because of the flammable conso rapidly because of the flammable con-tents that sprinklers, cut-off valves and all other forms of protection served no

The manufacturing group of buildings was adjacent to buildings 1 to 49 in which were stored the baled rubber which were stored the baled rubber owned by Rubber Reserve Corporation. These buildings were entirely destroyed. The loss to the baled rubber may not exceed \$5,000,000 and the loss to buildings the store of the baled rubber may not exceed \$5,000,000 and the loss to buildings the store of the baled rubber may not be the baled rubber may not be stored to b and manufacturing equipment may not go over \$2,000,000, plus whatever the U. & O. loss may be.

The manufacturing plant occupied by the Firestone Rubber Company was originally a cotton mill, and for some years, until 1937, occupied by the Amer-ican Print Company. In that year it

#### September Fire Losses Are Up 16 Percent

NEW YORK—Fire losses for September, the National Board reports, totaled \$24,668,000, an increase of 2 percent over those of the preceding month, and greater by 16 percent than the record for September, 1940.

was purchased by Firestone Rubber. The group of buildings was described as adequately equipped with sprinklers as adequately equipped with sprinklers and water supply for any normal occupancy, but especially within the last year because of the high value of the stored rubber and the extensive use made in the manufacturing processes of solvents and cements, the risk began to take on some dangerous aspects. It might be said that most of the buildings in the group were subject to one fire because any fire getting a good start might, as the recent one did, well sweep through most of the buildings unimpeded. Fire engineers say that the hazard of spontaneous combustion is not ard of spontaneous combustion is not present in stored rubber, but a large quantity of stored rubber will burn fiercely, spread rapidly and such a fire is extremely difficult to extinguish or even check.

even check.

Adjustment of the Fall River loss both for the F. I. A. and the marine offices will be handled by the Fire Companies Adjustment Bureau and by Prentiss B. Reed. General Manager E. C. Hines of the bureau and Mr. Reed are now in Fall River.

#### **Branch Office Survey** Is Found Inconclusive

KANSAS CITY-Because results of the survey conducted by the National Association of Insurance Agents into association of Insurance Agents into production branch offices were not uniform the executive committee cannot issue a general conclusion at the convention, Sidney O. Smith reported to members for the executive committee Wednesday morning. The committee will continue its study of the results until it can take a general and definite til it can take a general and definite stand based on the findings, he said. Re-turns were received from more than 90

percent of the 234 cities checked.

State commissioners are bitterly opposed to federal regulation of insurance, Charles F. Hobbs, Kansas commissioner and president National Association of Insurance Commissioners, declared in his appearance Wednesday morning. Agents oppose federal control. However, if federal supervision comes about the blame is on companies, agents and commissioners. Unless companies are honest, agents fair and commissioners capable there will be federal supervision, he de-

#### Civic Group Hears Bennett

KANSAS CITY—Secretary W. T. Bennett of National Association of Insurance Agents spoke at a luncheon meeting of the Kansas City Chamber of Commerce Wednesday on "Insuring National Unity." tional Unity.

#### Mealey Addresses Agents

NEW YORK-The extent of the NEW TORK—The extent of the state's educational campaign and the part the agent can play were outlined by Motor Vehicle Commissioner Mealey of New York at a meeting of the agents of the North America companies in this

#### Hanley N. Y. Blue Goose Speaker

NEW YORK—Joseph F. Hanley, former assisant district attorney of Kings county, will be speaker at the dinner meeting of the New York City Blue Goose in Newark, Oct. 23.

The Insurance Women of New Jersey, at their meeting in Newark, Oct. 23 will hear Alfred Christie, newly elected president of the New Jersey Association of Insurance Agents, and Alan V. Livingston, who will talk on "Office Management."

### Predict U. & O. Rate Increase and Limitations

The A. M. Best Company reports that higher rates and new rules for U. & O. coverages are to be recommended by the advisory committee of the Eastern Un-derwriters Association. It is understood that changes will not actually be pro-mulgated until the time of the next mulgated until the time of the next meeting of the inter-regional conference. One report, according to the A. M. Best Company, is that rates will be increased very substantially, that loss through replacement of stocks will be limited to 30 days and that there is to be a time

and that there is to be a time limitation of 365 days regardless of partial or total shut down.

The A. M. Best report caused much discussion of the idea of a U. & O. rate increase. It recently had become accepted that such a move is not contemplated.

#### Blue Goose Lunch Club Meets

Sioux Falls (S. D.) Blue Goose Luncheon Club met. K. J. Stoike, Chi-cago office of Security, associated with the state agency in South Dakota, is a new member. The speaker was Max new member.

Rysdon, Sioux Steel Company, on "Pri-The next meeting orities." Oct. 27.

#### Wage-Hour Insurance Survey to Be Launched

Commissioner Blackall of Connecticut has been informed by the wage and hour division of the U. S. Department of Labor of its intention to undertake a survey of insurance with reference to compliance with provisions of the fair labor standards act. The federal bureau states that representatives of insurance have expressed the desire to cooperate.

#### Cooksey and Knoller Shift

L. K. Cooksey, manager of Hooper-Holmes Bureau in Cincinnati for four years has resigned to join the claim de-partment of American Automobile's Ohio department in Cincinnati. Carl Knoller, who recently went to Cincinnati from Toledo, will be the new manager

Pearl to Quit Bay State

Pearl Assurance is withdrawing from Massachusetts, having lost its appeal to the Supreme Court on the alien manager

### The CENTURY

Insurance Company, Ltd.

and

### The PACIFIC COAST

Fire Insurance Company

are proud to support

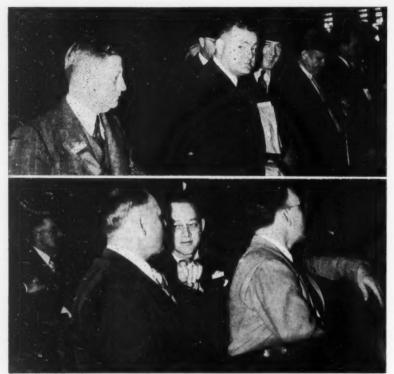
#### THE AMERICAN AGENCY SYSTEM

and extend hearty congratulations to the agents here assembled for their Annual Convention.

Our compliments to the present officers for the splendid work they have done -- and to the newly elected officers we offer our continued cooperation.



LAWRENCE J. TILLMAN, U. S. MANAGER 111 JOHN STREET NEW YORK CITY



Informal glimpses of conventioneers at N. A. I. A. annual parley. Above—Raynolds Barnum, Kansas City, general convention chairman; H. E. Decker, assistant superintendent of agents Standard Accident; Chester Miles, Kansas City, Standard Accident; L. B. Stubbs, St. Joseph, Mo., at registration desk.

Below—Cecil Bow, Casper, Wyo.; Thornton Seligman, Albuquerque, N. M.; H. H.

New Policy Writing

Plan Cuts Work

Lipps, Lewistown, Idaho.

Changes in the automobile policy are thought to present a good opportunity for companies to consider the benefits of the one operation plan of policywriting as devised in Chicago by L. M. Gundel, independent adjuster, and Arthur Juhl, office manager of Waidner, Power, Zweig & Lasch, class 1 agency. The One Operation Policy Writing System which they formed is claimed to reduce policy writing procedure by one-half, which helps reduce costs and is especially useful at a time when there is a shortage of labor in all fields due to defense requirements.

This new form of policy is not limited to automobile but can be adapted to all types of coverage. It has been thoroughly tested and is being used by a number of companies for fire, automobile, sprinkler leakage and other covers. Changes in the automobile policy are

#### Procedure Much Simplified

Procedure is greatly simplified, as the policy need not be folded and the space filled in as with the older method, and the contract can be written with an ordinary typewriter and does not need one of wide carriage. of wide carriage.

The policy is not folded exactly in the center as at present so the face is on the other side when inserted into the typewriter but is folded so the policy face and inside are continuously flat and in front of the policywriter with all information visible throughout the procedure. There is an extension at the top of each of the dailies, one being an expiration card and the other the assured's invoice, as ordinarily used, but there may be, instead, a line card, collection tickler or account copy to suit the agent's requirements. The invoice and card are parforated for detechment. quirements. The invoice and card are perforated for detachment. Space is allowed for agency identification.

The two reports and/or agent's record are filled in at the same time. Use

of the card and invoice saves the addi-tional typing work of filling them in separately and eliminates the possibility mistake, since they are carbon copies of the information typed on the

One Operation Policy Writing System has offices in A-1125 Insurance Exchange building, 175 West Jackson boulevard, Chicago.

#### Mutual "Ad" Men Map Parley in Los Angeles

More than 5,000 entries will be included in the exhibit of insurance advertising at the annual Mutual Insurance Advertising-Sales Conference Nov. 3-6 in Los Angeles. The conference will be held in conjunction with the annual meetings of the Federation of Mutual Fire Insurance Companies and the National Association of Mutual Insurance Companies. Companies.

Companies.

The entries are now being judged by Brooks Taylor, of Batten, Barton, Durstine & Osborn; Frank Smith, of Leo Burnett Co., and John A. North, of Aubrey, Moore & Wallace.

An all day session will be held Nov. 5 for an analysis of the sales and advertising programs. Speakers include John A.

ing programs. Speakers include John A. Buxton, president Minnesota Implement Mutual Fire; Ben L. Moore, vice-president Liberty Mutual; L. H. Jones, sales director Lumbermens Mutual of Mansfield, O.; J. J. Beall, executive vice-president Northwestern Mutual Fire; J. president Northwestern Muttal Fire; J. P. Dobyns, manager business extension department Lumbermens Mutual Casualty; F. E. Fitzgerald, advertising manager Grain Dealers National Mutual Fire; A. K. Sharp, secretary Mill Owners Mutual Fire, Des Moines; Frank M. Davis, publicity director Utica Mutual. A one-day program devoted to the fundamentals of mutual insurance will be offered Nov. 4.

On the program are: I. H. R. Tima-

be offered Nov. 4.

On the program are: J. H. R. Timanus, secretary Philadelphia Contributionship; Gordon Davis, manager loss research division Federation of Mutual Fire Insurance Companies; Wylie C. Sampson, vice-president Employers Mutuals. Wausau; Fred C. Cromer, secretary Los Angeles Mutual Fire and president National Association of Mutual Insurance Companies.

Fred W. Lahr, advertising manager Indiana Lumbermens Mutual, and president of the advertising conference, will preside at the Nov. 5 session.

#### Disputes Common Theory on Magnesium Bomb

Assurance that certain existing types of fire extinguishers can be used effectively to cope with light magnesium inively to cope with light magnesium in-cendiary bombs has been given by the Factory Mutual Laboratories of Bos-ton. After tests were made on actual bombs, Arthur B. Guise, engineer in charge, announced the water-filled and soda-acid types of extinguishers, com-mon in most establishments, can be used to great advantage to control in-cendiary bomb fires.

cendiary bomb fires.

"Some of our conclusions disagree with what you may have heard or read elsewhere," Mr. Guise stated. "One reason for this is that much of the instruction now being given as to how to handle incendiary bombs still is based on a handbook issued by the British overnment in 1032 before the war. government in 1938 before the war started. This handbook served its pur-pose excellently in preparing the Brit-ish people for intensive bomb raids which they suffered during the last half of 1940. But certain statements rewhich they suffered during the last half of 1940. But certain statements re-garding incendiary bombs and certain techniques for handling them have been modified by later information and ex-perience." perience.

The very fine spray produced by samples of the English type stirrup pump is not necessarily the best spray

for magnesium bomb fires, he said. Also, British "snuffers" can not really snuff out an incendiary bomb. "Theoretically," Mr. Guise said, "wa-ter is the wrong thing to use on burn-

ing magnesium; but as a practical mat-ter it often is the best. None of the usual fire extinguishers can extinguish usual hre extinguishers can extinguish burning magnesium, but, where there are enough extinguishers of the water-filled and soda-acid types available, they can be used successfully to control incendiary bomb fires.

"A solid stream of water from any source, when applied directly to a burning receiver.

source, when applied directly to a burning magnesium bomb causes an explosive reaction, sending particles of metal for distances of from 10 to 20 feet. But a spray may safely be directed upon the bomb, greatly reducing the time of its burning and wetting down the area around the bomb to restrict the spread of fire

down the area around the bomb to restrict the spread of fire.

"This spray can be produced from water-filled or soda-filled fire extinguishers by inserting the ball of the thumb in to the stream. The adjustable nozzle of a garden hose or the English type stirrup pump also will produce a spray."

Lloyd B. Beattie, special agent at Seattle for the Home group, is spend-ing a month visiting the head office in New York. He will return home about



SANDY HOOK LIGHTHOUSE, NEW YORK HARBOR

### Guardians of the Sea

Sandy Hook Lighthouse, at the south point of the entrance to New York Harbor, was completed in 1764, and the original masonry tower stands today with apparently no exterior change. The oldstanding tower in the country, this colonial light is of historical interest be-cause of its part in the Revolutionary War. In 1776 when the British fleet was gathering off New York, the lighthouse was dismantled by a party of American seamen. Restored by the British, another expedition eluded the warships on June 1st of that year, bombarding the lighthouse and damaging the tower. Sandy

Hook Lighthouse was ceded to the United States in 1790, prior to which it had figured in state controversies preceding the adoption of the Federal Constitution.

In its vital role as "guardian of the seas," the lighthouse has ever been recognized as a haven of safety in time of distress.

haven of safety in time of distress.

Marine insurance, too, has long been recognized by owners of all types of craft as a guardian which, like the lighthouse, is always ready to serve when needed.

Appleton & Cox, Inc., specialists in this field since 1872, offers agents and brokers the last word in all forms of ocean and inland



111 John Street, New York BRANCHES IN PRINCIPAL CITIES

aid.

rn-

at-

iish ere hle

rol

rn-

20 di-

ing re-

in-

the

the

ndin tuc

#### **Favors Additional** Classifications

(CONTINUED FROM PAGE 5)

ence of a large number of companies was a natural development and was as necessary to the fire insurance business as mortality tables are to the life insurance business.

#### Rates and Solvency

The adequacy of rates has a bearing on the solvency of insurers. While the most numerous failures have been more directly attributable to financial difficulties, mismanagement, conflagrations and other reasons, there have been times in the past when outbreaks of rate competition threatened the solvency of companies. These rate wars were usucompanies. These rate wars were usually followed by a strengthening of company organizations and of stabilization of the rate structure. It has been charged that during periods of favorable experience, the various rating organizations are not very responsive to

anizations are not very responsive to making adjustments.

During the period 1890-1910 many states enacted anti-compact laws designed to promote competition. The practical effect in many jurisdictions was to alter the structure of the various rating bodies, which thereafter proceeded to function as "independent" rating and inspection bureaus, issuing advisory rates. This was understandable, he said, in view of the elaborate system which the companies had adopted for schedulerating individual risks. About 1910 several middle western states enacted legislation giving the insurance commissioner power to order adjustments in rates after a determination as to their reasonableness. Since 1910 regulation and rate control have been extended in varying degrees in a large number of states. states

About 120 attended the meeting at Norwich. E. G. Crapser, secretary of the Meserole companies, president, was in charge. He said that the job of the accountants is to carry out the policies of top management and to make a smoothly functioning organization. No of top management and to make a smoothly functioning organization. No one person, he remarked, can know everything there is to know about running an insurance company office. It is necessary to have advisers of a special technical knowledge. An accountant, he said, should be of sufficient caliber to become one of top management when the time comes. He should have a comprehensive knowledge of the technical aspects of his job. He should have a capacity for getting people to work under his direction. He should have the capacity to grasp essential points, reach conclusions and decisions. He should have a general knowledge of the principles of the business.

C. F. Littlepage, assistant manager of the National Board, gave a talk on work of the National Board and its actuarial bureau. Paul D. Seghers of Barrow, Wade, Guthrie & Co., income tax specialists, gave a talk on what the future holds in the way of taxation and he raised the question of whether taxes will be fixed by law or will depend upon interpretation of philosophers in government bureaus.

A. A. Dahlberg of Sun described the

ernment bureaus.

A. A. Dahlberg of Sun described the routine that has been found satisfactory in meeting the demands for information required by executive management, un-derwriting and accounting departments.

### Sketches Adjusting Problems of Day

(CONTINUED FROM PAGE 5)

ever before and are condemning as unfit much merchandise that formerly could be reconditioned and sold. There has been a vast expansion of the boards and also of the department of agricul-ture and many junior inspectors seek to show their authority by condemning

articles, which, with proper handling, are safe and fit for use.

In connection with rents and U. & O. losses, average and coinsurance provisions do not give the companies the intended protection. Almost all of these clauses base their requirements on the fixed period of one year, whereas the time necessary to repair or replace is stretching out because of the difficulties of materials and labor. The ratio of loss to insurance is becoming disproportionately high.

The ratio of loss to insurance is becoming disproportionately high.

The experts to whom the companies have gone in the past for information are no longer expert in this day. In the earlier days the adjusters used very few experts. Building construction had not become complicated and the contents generally involved could be easily valued. But as complications increased, the adjusters became more and more dependent upon contractors, engineers, machinists, merchandise men and others. Today these men are themselves unable to solve the problems that are presented to them. The use of experts has had an especially rapid growth in New York.

#### Controversies Between Companies

The recent changes in the business have at times reduced but at other times intensified controversies which occasionally arise between companies insuring the same property. Many of these arise over questions of cancellation and substitution. Controversies over contribution and apportionment have been intensified by the development of inland marine. He pointed out that all controversies between stock fire companies can be arbitrated before that all controversies between stock fire companies can be arbitrated before the proper committee of the National Board. Efforts are now being made, he recalled, to formulate general rules of contribution and apportionment as between fire and inland. The business, he said, should do everything it can to obviate those situations in which claimants, holding sufficient insurance to cover their losses, find settlements delayed because of conflicting opinions among the companies as to liability. The trend toward government regula-

among the companies as to lability.

The trend toward government regulation of all activities has been felt by the adjuster. Some states have passed adjusters' license laws. In New York the department of state sought to classthe department of state sought to classify adjusters as private detectives and exact a fee of \$200 from them for a two year license. After negotiation the state department dropped its efforts upon the agreement of the adjusters that they would submit a bill to the legislature for licensing adjusters. Such bill will be introduced again at the legislature for licensing adjusters. Such a bill will be introduced again at the next session. The bill would provide that any company may send an outside adjuster into the state if he is particularly adept in handling the kind of loss sustained or if a conflagration or other emergency makes it advisable to

The attorney-adjuster controversy has threatened the casualty adjuster more than the fire adjuster, he said.

#### Much Improvement Seen

There has been a long time trend in There has been a long time trend in the business toward better adjusting conditions, he declared. The average claimant has become less importunate in his demands and the surviving adjusters have become competent through long experience. The loss policy of the companies has become more humane. Despite the confusion and difficulty of today, so long as the majority of the claimants and adjusters carry on their negotiations with a genuine intent to solve the problems they will be solved.

claimants and adjusters carry on their negotiations with a genuine intent to solve the problems, they will be solved. At the outset, Mr. Reed took up the question of small losses. He said one result of the decrease in the fire loss toll has been a great increase in the number of small claims. Small loss means little in aggregate loss payment, but it involves a great deal of work and expense. He cited the tabulation Western Adjustment gets out in supand expense. He cited the tabulation Western Adjustment gets out in support of his contention. The agents will no longer adjust these losses free of charge as they once did and small losses flood into the adjustment offices and are handled at an expense which is

disproportionately large for the amount Penalty Wheat Clause of loss involved.

For the five year period, 1931-35, the Western Adjustment found that more than 61 percent of the number of losses adjusted were for less than \$100 but the aggregate amount was only about 2.65

aggregate amount was only about 2.05 percent of the entire loss paid.

Another result of the decrease in the fire loss was the ending of the normal growth of the adjusting forces. Few apprentices were brought into the work apprentices were brought into the work and today the business is short handed. There has been a great increase in the number of men handling automobile losses but few of these men developed into good adjusters of fire losses. Another result of the decrease in the fire loss has been the lowering of the companied, will to resist assument of inpanies' will to resist payment of im-

#### Hopkins Quits "American Insurer"

NEW ORLEANS-Robert A. Hop-NEW ORLEANS—Robert A. Hop-kins has resigned as executive vice-pres-ident and managing editor of the "Amer-ican Insurer." He has been with the "Insurer" and its predecessor, the "In-surance Vindicator," for 31 years. He will establish an insurance news bureau and bandle other publish; with bed and handle other publicity, with head-quarters at 931 Lafayette street, New Orleans.

### Is Approved in Texas

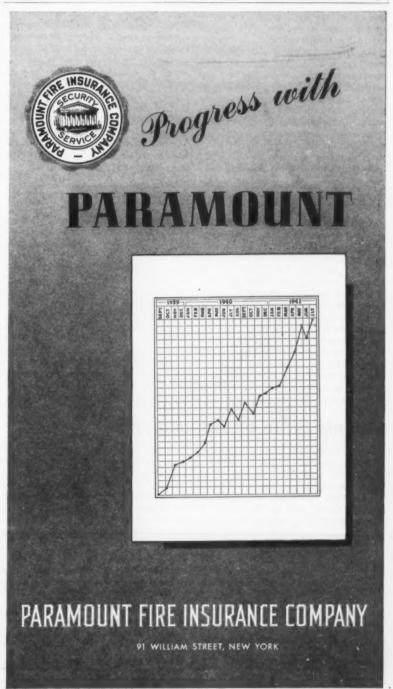
The Texas Board of Insurance Com-The Texas Board of Insurance Commissioners has approved a limited liability wheat endorsement, providing for settlement on the basis of market value less the 40 cents per bushel penalty on wheat harvested in excess of quota. Such a provision was recently instituted

in the middlewest, but it was outlawed by the Kansas department, and then withdrawn from all western states. The Texas Board also approved an amendment to the automatic reinstate-ment clauses of the unexpired premium

ment clauses of the unexpired premium endorsement to provide a flat amount of \$250 instead of \$100 and 5 percent.

The setup of the ordinary vacancy or unoccupancy clause was rearranged so the agent will insert the word "Vacant" in a blank space if the property is vacant and the word "Unoccupied" if the property is unoccupied. The old form granted permission to "remain vacant or unoccupied" and with the permit so granted permission to "remain vacant or unoccupied" and with the permit so worded it was difficult for the under-writer to know if the permit was to cover vacancies or unoccupancies.

Subscribe to Accident & Health Review,



### EDITORIAL COMMENT

#### Diemand's Talk Looks Like Action

phur Springs, may have been old stuff in the sense that it was largely a restatement of the platform that he enunthat it certainly must have had the efcould indefinitely continue merely to be matters for discussion and debate. The increase in business this year undoubtedly has had the effect of diminishing the impulse to take any severe action that would reduce costs. Mr. Diemand warned against such a sense of complacency. He said it is more important than ever to act quickly because othervery well find in the present war situation an opportunity to grasp a more eminent position in the field, just as they did in the former war.

Mr. Diemand's whole platform is directed at reducing the costs of stock company insurance, despite the fact that particular attention may be drawn to one of his recommendations for accomplishing that objective, the participating policy. From the tone of Mr. Diemand's remarks, the impression is gained that he is president, are in a mood to take individual action if the business as a sighted.

THE speech of John A. Diemand at the whole is not prepared to move in conbig casualty convention at White Sul- cert. The North America is a sufficiently potent influence both in the casualty and fire fields to cause a real shock if it should embark upon such a program as ciated in 1940, yet it is new stuff in Mr. Diemand advocated in his speech. Any such move on the part of the North fect of jolting those who perhaps sub- America organization would have draconsciously have felt that vigorous matic quality and it might cause a large measures of reform in the business part of the business to reorganize its procedures, from competitive considerations. In other words, whatever action would be taken would be done in an atmosphere of emergency. Although in the long run stability would be achieved, there would certainly be a period of confusion and dislocation.

It would be far better for the entire business if there should be an agreed wise the mutual company interests might program. But, despite all the conferences and discussion, there seems to be little progress in that direction. It seems impossible to reach in advance an agreement that is thoroughly acceptable to all of the companies and all of the agents. It is, therefore, up to the leaders in the business, those that have the welfare of the stock companies and agency system at heart and are looking far into the future to give the green signal to any step that they are convinced is progressive without being too greatly the North America companies, of which intimidated by the possibility of the wails of those who are not equally far-

#### Neurosis and the Imagination

A POINT brought out by Beverly Bax- great diminution in nervous disorders

ter, well known member of parliament since the bombardment started. Medical of England, who has taken a prominent men specializing on neurosis maladies part in defense work, in his address be- find that there has been a material defore the American Life Convention in crease in such. Mr. Baxter's explanation Chicago was very interesting to those was one in which psychology enters. He who heard him. He referred to the im- stated that nervous afflictions are largely proved health of the people of Great the result of worrying and thinking Britain at this time. One of the causes about something that may happen. This is the fact that the English people are mental situation keeps people stirred up facing something very realistic. While and they imagine fantastic things. When, terror is spread by bombardment, yet the however, they are faced with reality they people become accustomed to it and know what is at hand and while they are when a recurrence comes they know undoubtedly affected with fear, yet their what to do to try to protect themselves. minds are not occupied with something Mr. Baxter said that there had been a that may happen in the future.

### Agents Sit In on Adjustments

one, on the mind of the assured. He is adjusters. much distraught and worried. As the

A RECENT speaker spoke of the effect In some cases the claimant may have of a loss, especially if it is an important doubt as to how he is to be treated by

Some companies writing health and acspeaker put it, many claimants are cident insurance insist that the agent

who will see that justice is given him.

kinds of losses, companies may be fearpresent, since he might try to take a hand in a line of work with which he is not professionally qualified or familiar.

that follow this practice have another tively in his solicitation of new business.

made. He is not expected to participate object than seeking to make the claimin arranging for the settlement. How- ant feel comfortable, and that is that ever, his presence has a quieting effect every adjustment of a loss should leave on the mind of the claimant. The as- the claimant as an advertiser of the sured feels that he has a friend at court agent and the company. It is often said that there is no more effective advertis-Perhaps in the adjustment of other ing done than by a satisfied claimant. These companies therefore seek to make ful of the effect of the local agent being the settlement of a claim the basis for new business. The agent becomes imbued with the fairness of the adjustment and he gathers during the interview con-The accident and health companies siderable material that he can use effec-

### PERSONAL SIDE OF THE BUSINESS

John D. Wiese, prominent Chicago independent adjuster, was the winner of an award in the recently conducted nadesigning contes dress tion-wide contest sponsored by the Chicago "Tribune." He is one of seven award winners residing in the Chicago area. He received similar award in the contest last year. Young Mr. Wiese is a junior in the Chicago Latin school.

James F. Crafts, manager of the east-ern department of Fireman's Fund, en-tered the "hole-in-one" club on the 193yard 13th hole at the Springdale Country Club, Princeton, N. J., on the occasion of the meeting of the Schedule Rating Office of New Jersey.

Condition of F. Wiley Ball of Oklahoma City, who was injured in a recent automobile wreck, is improving and he is expected to be able to return home shortly. Mrs. Ball, who suffered a skull fracture at the same time, also is reported improving although still in a serious condition. They are in a hospital at Denison, Tex.

Thomas H. Little of Rochester, N. Y., son of Thomas C. Little, Iowa state agent of Fireman's Fund, will be married to Miss Eldonna Smith of Des Moines Oct. 24 at Rochester, N. Y. The groom to be, a recent graduate of Iowa State College, is an engineer for East-man Kodak Company.

George E. Edmonson, Tampa, Fla., general agent, Blue Goose grand keeper, will fly to Minneapolis for the Minnesota-Northwestern game Nov. 1. During his visit in Minneapolis he will be guest at a dinner given by the officers and past most loyal ganders of the Minnesota pond. Every week Mr. Edmondson takes in one of the major football games

R. W. Stevens, Chicago. member of the firm of Marshall & Stevens, Los Angeles valuation engineers, got some publicity in the Los Angeles papers re-cently when his stolen automobile was cently when his stolen automobile was used in an apparent attempt to burglarize the home of Claudette Colbert, motion picture actress. The suspected burglar was arrested while seated in Mr. Stevens' car in the driveway of Miss Colbert's home. Mr. Stevens had his car stolen while in Los Angeles on a visit to the home office of a firm and had returned to Chicago before the attempted burglary took place.

George W. Carter, prominent Detroit

George W. Carter, prominent Detroit speaker put it, many claimants are cident insurance insist that the agent scared. Their loss looms up beyond its who wrote the business or the manager the other day, when at a meeting of the just confines. It is big as they see it. sit in when the adjustment is being directors of the Detroit Board of Com-

merce, he was given what is known as "Champ Golden Glove," being awarded to him as the "Greatest Insurance Man" of the country. A Detroit citizen, Dr. John A. Ross, makes it a hobby to investigate what he terms the "greatest" man in the different business activities.

Mr. Carter was chosen from insurance as an agent and it was due to the fact that he was supported by the county of the cou that Dr. Ross found that he was su-preme in many ways in his knowledge of insurance, its adaptation to the needs of his clients and the high service rendered, that he was put at the front.

Miss Mildred Mabelle Codere, daughter of Mr. and Mrs. C. F. Codere, and David Mount Fleming of South Bend, Ind., were married in St. Paul. Mr. Codere is president of St. Paul Fire & Marine. The wedding date was the Marine. The wedding date was the silver wedding anniversary of the bride's parents.

parents.

Brig.-Gen. E. E. Goodwyn, commanding officer of the Virginia Protective Force, who is a prominent local agent of Emporia, Va., and a veteran of world war No. 1, is proud of his new military organization, he told former comrades of the 29th Division at a banquet in Richmond last week on the anniversary of the division's entrance into actual warfare in the Meuse-Argonne in 1918. General Goodwyn is a past president of the Virginia Association of Insurance Agents. He was a regimental comman-Agents. He was a regimental commander with the rank of colonel in the last war.

war.

Felix F. Kurz, vice president of General of Seattle, is on an agency tour, having visited a number of agencies in the north central portion of the country and also conferring with W. A. Miles of Miles & Miles, general agents, in Chicago. He plans to spend some time in the south and then go on a trip to Puerto Rico.

#### DEATHS

Mrs. Ira May, mother of O. D. Cox, state agent in Missouri for American of Newark, died at her home in Kansas, I11

Fred W. Rodgers, 49, associated with his brother, George B., in the Rodgers Insurance Agency, died at his home in Portland, Ore., following a short illness. He was born in Denver and was educated in Portland's public schools. cated in Portland's public schools. He entered the insurance business shortly after the first world war in the Rodgers-Hart-Banks agency, founded by his



#### NATIONAL

### UNDERWRITER

EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704 EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Miditors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force. BUSINESS DEPT.: John F. Wohlgemuth, President. H. J. Burridge, Vice President and Secretary. John Z. Herschede, Treasurer. W. A. Scanlen G. C. Roeding, O. E. Schwartz, Associate Managers.

INCINNATI OFFICE—420 E. Fourth St. sl. Parkway 2140. L. H. Martin, Abner herp, Jr., and C. C. Crocker, Vice-Presidents.

ATLANTA, GA., OFFICE—580 Trust Company of Georgia Bldg., Tel. Walnut 5867. W. M. Christensen, Resident Manager.

BOSTON OFFICE—944 Park Square Bldg., Telephone Hubbard 8696, R. E. Richman, Telephone Hug Vice-President.

CANADIAN BRANCH — Toronto, Ont., 88 Adelaide St., East, Tel. Waverley 7988.

DALLAS OFFICE—809 Wilson Bldg., Tel. Central 7814. Fred B. Humphrey, Resident Manager.

DES MOINES OFFICE—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager. DETROIT OFFICE — 1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager

MINNEAPOLIS OFFICE—500 Northwestern Bank Bldg. Tel. Geneva 1200. R. W. Land-strom, Resident Manager. PHILADELPHIA OFFICE—1127-133 S. Bread Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO OFFICE—507-8-9 Flatires Bldg., Tel. EXbrook 3054. F. W. Bland, Res Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Bessiese Dept.—N. V. Paul, Vice-Fres. J. T. Curtin and W. J. Smyth, Resident Managers. Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

1941 laimthat leave the said ertisnant. make s for im-

ment conffec-

ness.

rded Ian"

Dr. in-test"

ance

su-

re of

ered,

ughand end, Mr. e & the

ide's

and-

tive

orld

ades t in sary

tual 918. t of ınce nanlast

OHT. in ounin A

nts, ome

ox, can sas,

vith ers in

ess.

rtly

his



"That stands for,—Have Completed Courses Sponsored by National Association of Insurance Agents!"

That agency was the forerunner of the present firm, which was organized in 1937 after withdrawal of John Banks.

Roy C. Stone, 54, veteran Iowa field man, died at his home at Fairfield, Ia., following a heart attack. At the time of his death he was state agent of both fire and casualty companies of the Firemen's group for southeast Iowa. He joined that group in 1924 and moved from Des Moines to Fairfield in 1937.

He started in life insurance with Prudential at Farmington and later joined National Union Fire, with headquarters in Des Moines.

Charles McFerran, 73, Louisville local

Charles McFerran, 73, Louisville local agent, died at his home after a period of ill health. He was owner of the J. M. Todd & Co. agency, which he had operated for about 30 years.

operated for about 30 years.

Charles S. Nahm, Sr., 68, president of Nahm's Insurance Agency, Louisville, died at Norton Memorial Infirmary there after a short illness. At one time he had offices at Bowling Green and Frankfort, Ky., as well as Louisville. The agency for some years specialized in truck and truck cargo insurance. A son, Charles S. Nahm, Jr., is a partner in the agency.

in the agency.

John J. Goebel, 78, for many years a local agent at Hartington, Neb., died

J. K. Setright, 82, who established a local agency at Marinette, Wis., in 1898, and operated it until illness forced him to retire, died at his home there from a heart allment.

C. F. Tank, 83, who had operated a lo-cal agency at Oshkosh, Wis., for the past 20 years and previously was a solicitor for the Rosendale agency, died there.

#### CALLED TO SERVICE

Charles A. Bickerstaff, Jr., son of the late southern manager of the Fireman's Fund and an engineer of the South-eastern Underwriters Association, who has been stationed at Charlotte, N. C., has returned to Atlanta and is stationed at the headquarters of the army quartermaster there.

#### Fire Association Pays Extra

In addition to the regular semi-annual dividend of \$1 Fire Association has declared an extra of 50 cents both payable Nov. 15 to stock of record Oct. 17.

#### **New Kansas City** General Agency Active



TED RHODUS

Midwest General Agency of Kansas City is now operating from headquarters at 916 Walnut street. Active head of the new organization is Ted Rhodus, who has had about 10 years general agency experience.

The agency plans to have facilities for

The agency plans to have facilities for Kansas as well as Missouri agents soon. The general agency will operate in the fire, casualty and inland marine fields. The fire insurance business of the agency will be placed exclusively with com-panies that are members of the Western Underwriters Association. One of the companies is Carolina of the Home

Harry T. Reed is special agent. He has been in underwriting and field work for 18 years.

M. F. Schwinn, Beaver Dam, Wis., local insurance agent, is at St. Joseph's hospital as the result of injuries sustained in an automobile accident.

Subscribe to Accident & Health Review. year. 175 W. Jackson Blvd., Chicago.



Plug No. 21

#### ANY DAY NOW-

FURS will be taken out of storage and will once again be exposed to all kinds of loss and damage.

THIS IS THE TIME TO SOLICIT AN

#### "ALL RISKS" FUR POLICY

Rate is now only 85c per \$100 Insurance SUBJECT TO

\$5.00 Minimum Premium

MARINE DEPARTMENT

FIRE ASSOCIATION OF PHILADELPHIA LUMBERMEN'S INSURANCE COMPANY THE RELIANCE INSURANCE COMPANY PHILADELPHIA NATIONAL INSURANCE CO.

401 WALNUT STREET, PHILADELPHIA

FIRE, MARINE and AUTOMOBILE INSURANCE



### DAYS

Your prospects are moving to homes of their own or shifting from one house to another.

Have you checked to see that their insurance has been "moved" too—transferred to cover their new location? . . . . . Are you certain they have adequate and proper protection against increased building and replacement costs?

Remember: You remember your clients with service and advice-and they'll remember you when they need insurance protection.

Economical and effective plans to assist you in keeping contact with your clients have been developed by



HOME OFFICE 111 John St. New York WESTERN DEPT. Insurance Exchange Chicago



# DON'T LET YOUR CLIENTS GET CAUGHT GAMBLING!

Help them check their protection and adjust their insurance to meet the unusual conditions of today.



### America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



### and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL

### Fine 15 Companies for Compensation Violations in N. Y.

#### Five Other Fines Temporarily Suspended-**Probers Suggestions**

NEW YORK-Fifteen casualty companies have been fined as a result of the workmen's compensation insurance investigation conducted by the New York department, Superintendent Pink announces. Deputy Edward McLoughlin was in general administrative charge of the investigation. Bernard Botein, who had previously conducted a similar investigation of the state insurance fund, acted as advisory counsel and Irvin Waldman was the attorney in charge.

The following fines were imposed for direct violations of the rating provisions of the insurance law: Bankers Indem-

of the insurance law: Bankers Indemnity, \$500; Butchers Mutual Casualty of New York, \$2,000; Eagle Indemnity, \$3,500; Glens Falls Indemnity, \$3,500; Globe Indemnity, \$2,000; Maryland Casualty, \$500; Standard Surety & Casualty, \$500; Sun Indemnity, \$3,500; United States Casualty, \$2,000; Zurich,

#### Fines Suspended in Five Cases

Fines Suspended in Five Cases
In addition, Royal Indemnity was fined \$1,500 and Actna Casualty, Indemnity of North America, Liberty Mutual and Ocean Accident & Guarantee, \$1,000 each. In the case of these five companies the violations involve equity rating in connection with interstate risks. The imposition of the fines on those companies has been suspended by the superinin connection with interstate risas. The imposition of the fines on those companies has been suspended by the superintendent in order to give them an opportunity to seek appropriate court review. The companies strenuously urged that the acts complained of affect rating in states other than New York and are not subject to review by the New York department. The department contends, however, that while the rate violations did affect coverages in other states the purpose was to offer a rebate in New York. It was also urged by the five companies that consideration should be given to the fact that these equity rating practices are not confined to their companies alone but are generally followed in the business. in the business.

#### Books of Assured Examined

The objective of the investigation was to analyze the underwriting practices folto analyze the underwriting practices followed in order that illicit practices and abuses might be revealed, and to offer suggestions as to how they might be climinated or at least curtailed. About 17 companies were examined. One channel of inquiry necessitated making audits of the books of various assured. This resulted in the development of additional premiums aggregating \$437,318 representing audits of 106 risks. Twenty-two showed no variances from the true payrolls, but the department claims the remaining \$4 had not been reporting cormaining 84 had not been reporting correctly. Over a period of 2.7 years, it is asserted, they had concealed \$6,553,351

### Agree Motorists Should Pay Cost of New York Law

NEW YORK — General agreement that the cost of administering the new financial responsibility law which becomes effective Jan. 1, should be met by increasing the drivers license from 50 cents to 75 cents, creating thereby a total fund of \$1,000,000, (there being 4,000,000 registered drivers in the state) was reached at the conference at Albany called by Tax Commissioner Mark Graves, which was attended by representatives of many interested bodies, as well as by members of both houses of the legislature. The only objection to the suggestion was advanced by the spokesman for the American Automobile Association, who contended the expense should be defrayed by the automobile insurance writing companies. This view was promptly countered by the statement that the financial responsibility law was designed to benefit the people of the state, pedestrians as well as motorists, and that the burden of its administration should be borne by all licensed drivers and not alone by those carrying insurance.

by those carrying insurance.
er suggested amendments to the law, which met endorsement at the meeting, included elimination of the provision requiring the reporting of accidents unless the property damage resulting therefrom amounted to \$25 or sulting therefrom amounted to \$25 or more, and deletion of the stipulation that in the event of accident the car or cars involved be taken over by the state and held to satisfy the claim of the innocent party, without regard to the interest of the mortgagee, if any, Grave doubt as to the constitutionality of the provision, as well as its injustice was expressed.

of the provision, as well as its injustice was expressed.

Arthur Snyder, treasurer of Alfred M. Best Co., as a member of the executive committee of the insurance section of the New York Board of Trade, which was active in campaigning for the present law, spoke at some length in advocacy of the suggested amendments, as did a number of others.

#### Consider Explosion Area Charge for Plate Glass

NEW YORK-Plate glass underwrit-NEW YORK—Plate glass underwriters are considering the wisdom of imposing an explosion area charge upon risks located within a radius of munitions manufacturing plants, such as obtained during the first world war period, but which was withdrawn after the cessation of hostilities.

of payroll by reporting \$7,385,632 instead of \$13,938,983. Of the amount so concealed, \$5,242,259 in payrolls involving aggregate premiums of \$408,967 is alleged to have been withheld through the use by employers of a double set of payroll records or books of account. The difference of \$1,311,092, the department claims, was due to collusion between the assured and either the carrier or its auditor.

In their report to the superintendent. Deputy McLoughlin, Mr. Botein and Mr. Waldman have listed nine recommendations:

The superintendent of insurance (CONTINUED ON PAGE 29)

### Tom Hook, Big Factor in A. & H. Field, to Retire

Thomas Hook, superintendent of the accident and health department of Standard Accident, has announced plans for retirement on Dec. 1. Mr. Hook, who is widely known in the field, went with Standard 47 years ago. A young Scotsman, he began in an accounting capacity and shortly after was placed



THOMAS HOOK

in the accident department. He steadin the accident department. He stead-ily worked his way up to his present post, which he has held since 1921. With one exception, he is the com-pany's oldest employe in point of

with his genial disposition and extremely likeable personality, Mr. Hook has made many friends. At Standard he is held in high affection and esteem both in the home office and field, and this is true throughout the entire husiness

#### Governing Committee Chairman

In 1939 Mr. Hook was elected chairman of the governing committee of the Bureau of Accident & Health Underwriters. Practically all multiple-line stock companies writing this type of business are members of the bureau. Mr. Hook had served on the governing committee of the bureau for many years and has delivered many instructive and educational papers before the group. He was active in the reconstruction of accident policy forms which are in use today by practically all the bureau companies. He has been a member of the Accident & Health Insurance Week committee since its inception.

In November, 1940, Mr. Hook was honored at the initial Accident & Health Executives Dinner held in Chicago. This dinner for executives and managers of the accident and health business is to be an annual event and will each year honor a distinguished accident and health executive. Mr. Hook was selected to be honored at the first dinner of the series as one of the outstanding underwriters of accident insur-In 1939 Mr. Hook was elected chair-

standing underwriters of accident insur-

### Fear of Sharply **Ascending Losses** Unjustified: Pink

#### Experience During and After Last War Cited at Casualty Convention

Superintendent Pink of New York, in an address at the big casualty convention at White Sulphur Springs, W. Va., said that the belief that a period of sharply ascending loss ratios may lie ahead is probably unjustified. He declared that the experience from 1900 to the present indicates that under similar boom conditions in war times, losses did not increase faster than the premium income. The two go up and down almost together, he asserted. It is in a period of deflation when the volume is down and losses are apt to be up because of moral hazards that the loss ratio is most likely to show an increase.

ratio is most likely to show an increase. The ratio of casualty losses to premiums written for the five-year period 1917-1921, which reflects the war losses, was 38.2; for the five years 1912-16 it was 40.6 and for the period 1922-26 it was 44.8. If the 15 years following the war are compared with the five years which reflected the war experience, the result is even more startling, for the loss ratio of the period from 1921-36 was 47.5 as compared with 38.2 for the war period.

#### Volume Is Rising Rapidly

Mr. Pink observed that the volume of Mr. Pink observed that the volume of fire and casualty business is rising rapidly because of the defense program. New all-time records are being made. The previous peak year for fire companies was 1929 but the casualty companies had recovered sufficiently from the depression to surpass their 1920 record in 1937 and ever since have been enjoying increased business.

record in 1937 and ever since have been enjoying increased business.
Judging from the mid-year statements filed in New York, the fire companies will again exceed a billion dollars a year in premiums as they did in the boom days of 1929 and that their volume will be even higher than for that year. The casualty companies for the first time in their history will have a premium income of more than a billion dollars. He (CONTINUED ON PAGE 39)

More than 200 were in attend-

ance.
On his 45th anniversary with the company, the officers of Standard Accident tendered Mr. Hook a testimonial dinner in 1939.

Mr. Hook was born in Edinburgh, Scotland, and came to this country when he was eight years old.

After his retirement, Mr. Hook plans to spend several months in Florida, returning from which, he will take up permanent residence at his summer home at 515 River Drive, Marine City, Mich.

### U. S. Aviation Adds 3 Companies, Two **New Field Offices**

#### Camden, New Hampshire, Granite State Join; Group Now Has 4 Departments

NEW YORK-United States Aviation Underwriters, managers of the States Aircraft Insurance United Group, has announced that effective Jan. 1 Camden Fire and New Hampshire Fire will become members of the group and Granite State Fire an associate member and that effective Oct. 15 two member and that effective Oct. 15 two new departments are being opened: the eastern in New York City, and the southern, in Atlanta. With the three added companies the number of member and associate companies will be 56. With the western department in Chicago and the Pacific Coast department in Los Angeles U. S. Aviation Underwriters will have four strategically located offices, each with complete underwriting authority, for the speedy hand-

writers will have four strategically located offices, each with complete underwriting authority, for the speedy handling of business. The eastern department, which will be on the ground floor of 80 John street, the same building that houses the home office, will be in charge of Henry N. Beers. Charles C. Compton will be assistant manager. Both Mr. Beers and Mr. Compton have been with the USAIG since January, 1935. In addition to his six years' underwriting experience with USAIG Mr. Beers has had broad experience in aviation not only as a pilot but as the proprietor of a well-known aviation school and charter service, so that he is well equipped to handle the eastern department's affairs. Leigh Lynch, a pilot and a former special agent of one of the group's member companies, who joined the organization more than a year ago, will be with the eastern department as field supervisor.

H. Cecil Wasson is manager of the new southern department, with Caspar S. Whitner, Jr., as assistant manager. Mr. Wasson has been with USAIG for more than 12 years and is widely known in aviation insurance circles throughout

Mr. Wasson has been with USAIG for more than 12 years and is widely known in aviation insurance circles throughout the United States and Canada. He is considered to be one of the ablest and most experienced aviation underwriters in the country. Mr. Whitner; an Atlantan, joined USAIG last spring and has been at the home office undergoing a comprehensive course of instruction prior to his return to Atlanta.

Under the new setup the territorial division will be as follows: eastern depart-

### Honor Mochwart on New Heads of Companion Groups Taking U.S. Post

Russell C. Mochwart, for 14 years a member of the staff of the National Bureau of Casualty & Surety Underwriters, was tendered a dinner by a number of his associates in New York, as he left for Washington, to accept a position in the war department. Mr. Mochwart received a traveling bag as a farewell gift from those with whom he worked in the National Bureau. National Bureau.

ment: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, District of Columbia, Virginia, West Virginia; southern department: North Carolina, South Carolina, Tennessee, Georgia, Florida, Louisiana, Arkansas, Oklahoma, Texas, Alabama, Mississippi; western department: Ohio, Indiana, Kentucky, Illinois, Michigan, Wisconsin, Iowa, Missouri, North Dakota, South Dakota, Kansas, Nebraska, Minnesota; Pacific Coast department: Washington, Oregon, California, New Mexico, Arizona, Nevada, Idaho, Montana, Wyoming, Colorado, Utah.

USAIG is now in its 15th year. In announcing the new setup, David C. Beebe, president of U. S. Aviation and Reed M. Chambers, vice-president, recalled the consternation and quiet amusement, on the part of some, that greeted the organization of USAIG some 13 years ago because of the seemingly fantastic career on which it was about to embark. They expressed deep appreciation to the many agents and brokers who have cooperated in the pioncering

tion to the many agents and brokers who have cooperated in the pioneering of this new line of insurance.

E. R. Cory, Massachusetts Protective, ustin, was reelected president of the



C. B. MORCOM

The new president of the International Association of Casualty & Surety Underwriters is C. B. Morcom, who is vice-president of Aetna Casualty. The new president of the National Association of Casualty & Surety Agents is Lew H. Webb of the Conkling, Price & Webb agency of Chicago. At the annual joint session of these organizations at White Sulphur Springs, the president



LEW H. WEBB

of the company organization presides at

of the company organization presides at one of the meetings and delivers a convention message and the head of the agents' organization is the presiding officer at the other general session.

Mr. Morcom for the past two years has been vice-president of the company organization and Mr. Webb is advanced from the vice-presidency of the agency group.

Minnesota Automobile Association at its annual meeting in St. Paul. George K. Belden, Minneapolis insurance man, was elected on the executive committee



William Leslie, general manager of the National Bureau of Casualty & Surety Underwriters, and Mrs. Leslie at breakfast during the big casualty convention at White Sulphur Springs, W. Va.

#### Navy Yard Calls for Auto Cover from Visitors

Effective Oct. 1 a rule went into effect in the U. S. navy yard at Bremerton, Wash., requiring all commercial vehicles bearing navy yard license plates or passes to be insured for standard limits of bodily injury and property damage. Owners not complying with the ruling were called on to surrender their passes to the yard.

#### Buckeye's Comprehensive Policy

The Buckeye Union Casualty has announced a new comprehensive liability policy, which includes general liability, property damage and automobile coverage. The Buckeye Union companies held an agency meeting in Cincinnati Tuesday of this week and one in Dayton on Wednesday.

#### Anchor Rounds Out 15 Years

ST. PAUL—Anchor Casualty of St. Paul will round out 15 years Nov. 26. Started as a purely Minnesota company,

#### Casualty Agents Adopt Strong Resolutions

A resolution was adopted by the National Association of Casualty & Surety Agents at its meeting in White Sulphur Springs approving the contract that was entered into between the National Asentered into between the National Association of Insurance Agents and the Association of Casualty & Surety Executives on the matter of countersignature with the exception of the compensation to be paid to the countersigning agent. The casualty agents reaffirm their position that the matter of countersignature fee should be left to private contract between the producing agent and the countersigner.

The association also commended the

The association also commended the Association of Casualty & Surety Executives for its effort to cause commercial mutuals to be taxed on the same basis as the stock companies have

#### Adopt O'Gorman's 11 Points

The association reaffirmed and adopted as a code the 11 points made by W. D. O'Gorman of Newark, the retiring president, in his convention speech of 1940. Those points included elimination of the "interceptor of commissions," elimination of political rack eteer in insurance, elimination of general agency commissions to direct salesmen, clean cut definition of those warranted to receive general agency commissions, establishment of a uniform countersignature law, determination on commissions, establishment of a uniform countersignature law, determination on the part of capital stock companies not to appoint as agents anyone representing a mutual company; consolidation of intercompany organizations that overlap; revision of existing acquisition cost rules so that two grades of commission shall be paid, one for the producer who is strictly the seller and one for the agent who is truly a supervising general agent; establishment of a comprehensive plan for public relations; the placing of branch office eosts on exactly the same level as that of the supervising agents, and finally grading of agency commissions on all high bracket premiums and a ratable reduction in home office expense loading. home office expense loading.

the Anchor now operates in several states. R. V. Mothersill is president.



Roy L. Davis, Chicago, western representative Association of Casualty & Surety Executives; George H. Moloney, Chicago, vice-president Hartford Accident; J. C. Blackall, Connecticut commissioner, and V. H. Bartholomew, Chicago manager Standard Accident, hold solemn conference at White Sulphur casualty convention.

### Personal Mention at Brilliant Casualty Gathering at White Sulphur

Thomas Earls of Cincinnati won the Charles R. Miller trophy for the two days low gross score in the men's golf tournament at the convention at White Sulphur Springs of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Underwriters and National Association of Casualty & Surety & Sur

writers and National Association of Casualty & Surety Agents.

Company winners for the first day were George D. Mead, Glens Falls; R. E. McGinnis, Central Surety; J. D. Williams, U. S. F. & G.; Harlold Warner, Royal-Liverpool; F. H. Strickland, New Amsterdam; D. C. Handy, Fidelity & Deposit and Fred Rice. Agent winners for the first day were George Blossom, Chicago; C. A. Abrahamson, Omaha; Paul Sisk, Tulsa; W. T. Cline, Chicago; R. R. Brown, El Dorado, Ark.; R. C. Knox, Hartford, and W. A. Earls, Sr., Cincinnati. Cincinnati.

Company winners the second day were Company winners the second day were Milton R. Johnson, Pacific Indemnity; F. X. Malley, American Reinsurance; Donald Falvey, Massachusetts Bonding; T. L. Haff, European General; D. St. C. Moorhead, Employers Reinsurance; J. P. Hacker, Standard Accident, and H. F. Witzell, American Reinsurance. The agent winners were E. R. Ledbetter, Oklahoma City; J. J. O'Connell, Boston; H. L. Parish, Oklahoma City; Wade Fetzer, Chicago; T. E. Braniff, Oklahoma City; Ralph Seiler, New York City and Francis Carnes, Baltimore.

The guest winner of the two days low gross score was Northrup Dawson, New

The guest winner of the two days low gross score was Northrup Dawson, New Canaan, Conn. Ray Murphy, assistant general manager Association of Casualty & Surety Executives, won the first day low net prize for affiliated members and Scott Harris, vice-president Jos. Froggatt & Co., won the second day low net

prize.

Mrs. Carl Daniel of St. Louis won the two days low gross score in the women's tournament. Miss Betty Welton, New York, daughter of Mr. and Mrs. Spencer B. Welton, won the first day low net and Mrs. A. E. Thyselius, New York, was the second day low net winner, Mrs. Northrup Dawson won the putting prize. ner, Mrs. No

Dutting prize.

Commissioner John B. Gontrum of Maryland was one of the winners of the horeshoe pitching contest. Others were Roger Kenney, Boston, Hugh Heafner, Charlotte, N. C., and Thomas Cullen, New York New York.

Capt. R. F. Hill, who is in charge of the insurance division of the war de-partment, expressed the appreciation of his department for the help which is being rendered by the insurance execu-tives. He said that they have full knowl-edge of the demands being made upon edge of the demands being made upon the insurance industry today and the part it is playing in the defense work. Representatives of the insurance business and particularly the national organizations have rendered invaluable assistance in the solution of many of the important matters pertaining to insurance under the defense program, Capt. Hill stated.

A salute to Claude W. Fnirchild for arranging an interesting program. The record breaking attendance this year was a tribute to him.

was a tribute to him.

A military note was introduced into the convention this year by the presence of Lieut. Gen. Ben Lear, commanding second army, and Captain Edward Bastion. General Lear was a guest speaker.

The Fearful Foursome—Jim Haines, Ed Bond, Cliff Morcom and Claude Fairchild played their annual golf game. Messrs. Haines and Bond were the victors,

The orchestra struck up the wedding march when Mr. and Mrs. David A. Polson stepped out on the dance floor. They were married three weeks ago. Mr. Polson is manager of New Amsterdam Casualty in Boston.

Arthur C. Bohen, treasurer Preferred Accident, and Mrs. Bohen were again popular members of the convention. They were joined on Sunday by Mr. Bohen's son, Donald, who is studying law at the University of Virginia.

Members of the convention were delighted to see Mr. and Mrs. James R.

Millikan of Cincinnati, who attended for the first time in several years.

President J. Arthur Nelson, New Amsterdam, and Mrs. Nelson entertained at a large party. Mrs. Nelson was also one of the prize winners of the women's bridge tournament.

Others who attended the casualty meeting for the first time in many years were Mr. and Mrs. Malcolm McCrory of Jacksonville, Fla., and Mr. and Mrs. Milton R. Johnson of Los Angeles. Mr. Johnson is president of Pacific Indemnity.

A newcomer to the convention this year who was also a golf prize winner was Vice-President J. D. Williams of U. S. F. & G.

In addition to Mr. Williams of the U.S. F. & G. there were present Conway Taylor, John Matthai, Mr. and Mrs. Charles Phillips and Phillip F. Lee.

Charles Phillips and Phillip F. Lee.

Mr. and Mrs. James M. Haines had in their party Mr. and Mrs. John R. Robinson, New York; Mr. and Mrs. Stuart Scruggs, Dallas; Mr. and Mrs. Herbert Truslow of Honolulu; Mr. and Mrs. Charles A. Craft, San Francisco; the newly elected president of the agents association, Lew H. Webb, and Mrs. Webb; Mr. and Mrs. W. T. Cline, Chicago; Glenn Charlton, Lawrence, Kan., and R. R. Brown, El Dorado, Ark.

and R. R. Brown, El Dorado, Ark.

Mrs. Howard Dunham excelled as chairman of the women's bridge tournament. She was congratulated on her selection of the prizes. Wilners were Mrs. R. C. Knox, Hartford; Mrs. W. B. Rearden, Newark; Mrs. Northrup Dawson, New Canaan, Conn.; Mrs. Frances O'Neil, Pittsburgh; Mrs. J. W. Smith, Kansas City; Mrs. R. M. Fox, Indianapolis; Mrs. William Leslie, Scarsdale, N. Y.; Mrs. T. W. Earls, Cincinnati, and Mrs. J. A. Nelson, Baltimore.

Mrs. J. A. Nelson, Baltimore.

A cocktail party given jointly by the two associations preceded the annual dinner. Spencer Welton, as chairman of the entertainment committee, kept things moving. Participants in the Battle of the Sexes, with Mr. Welton as quiz master, were Mrs. Frances O'Neil, Pittsburgh; Mrs. H. W. Schaefer, New York City; Mrs. Carl P. Daniel, St. Louis; Stuart B. Scruggs, Dallas; E. R. Ledbetter, Oklahoma City, and Commissioner Blackall of Connecticut. Mrs. Daniel and Mr. Blackall were the winners.

Wednesday night was Mrs. Daniel's. Not only did she win the quiz prize, she also won the first prize in the women's golf tournament and it was her birth-

Mr. Welton called attention to the fact that Globe Indemnity was celebrating its 30th anniversary. President Kenneth Spencer and Mrs. Spencer are active conventioneers.

William Dearden, deputy commissioner of motor vehicles of New Jersey, was present.

Roy L. Davis, Chicago manager of Association of Casualty & Surety Executives, attended the meeting for the first time. Howard Starling, Washington manager of the association, was also present.

Another absenteee of some time who returned to the Greenbrier this year was

#### All Alone by the Telephone



RAY MURPHY

Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, was photographed while he was telephoning to rouse a member of his golf foursome at the big casualty convention at White Sulphur Springs.

Mrs. Tom Braniff. She has always been one of the most popular ladies of the convention and received a warm welcome from all her friends.

Mrs. Claude W. Fairchild came down to attend the banquet. It has been sev-eral years since Mrs. Fairchild has been at the meeting.

at the meeting.

It was "July in October" at White Sulphur the first few days of the convention. Monday night when the thermometer was in the nineties Indemnity of North America secured the penthouse terrace of the Greenbrier for their cocktail party and made the hit of the convention.

Travelers followed suit Tuesday night and gave their party in the Spring Room, throwing open the doors to the

The registration of this year numbered 357, the largest attendance on record.

The annual party of Standard Accident
was held in Hawley Cottage this year.
President Charles C. Bowen and his associates are always delightful hosts
Actna Casualty and Travelers both
held "open house" Tuesday evening.

Everyone rose in compliment to "Uncle" Edson S. Lott the night of the

Ogden Davidson, U. S. manager Accident & Casualty, and Dr. Paul Thorin were present.

At the banquet Charles H. Burras pre sented the trophy to Mr. Earls of Cin-

Mr. and Mrs. Paul F. Jones, Spring-field, Ill., were newcomers to the con-vention this year. Mr. Jones is director

### Cal. Restaurateurs in Insurance Fight

#### **Battle Over Dividends** with Limited Mutual Goes to Court

The California State Restaurant Association has filed suit in superior court in Sacramento county against Limited Mutual Compensation, demanding an accounting and asking for \$25,000 damages for breach of contract. This is the latest development in an extended contractors.

the latest development in an extended controversy.

Limited Mutual Compensation had a contract with the restaurant association, that expired Dec. 1, 1940, under which it agreed to insure members of the association on a participating basis to reduced minimum premium. The the association on a participating basis at a reduced minimum premium. The insurer agreed to pay the dividend to the restaurant association which in turn would remit to the individual assured and it was privileged under the contract to deduct the amount of any dues owing to the association by an assured member, from the dividend.

That contract was replaced with a similar agreement with Industrial Indemnity.

demnity.

Limited Mutual Compensation Limited Mutual Compensation did not pay to the association the dividend for 1940. The company filed a suit in Superior court claiming that there is a dispute between some members of the restaurant association and the association itself as to who is entitled to the dividends under the policy.

#### Statement by Herrington

Executive Secretary L. I. Herrington of the restaurant association declares that in this suit Limited Mutual states that the total dividend amounts to \$7,336 which would be less than 15 percent as compared with more than 19 percent the previous year. According to Mr. Herrington, Limited Mutual has repeatedly stated that the dividend payment would be much higher and in time they hoped to pay as much as 25 percent. Mr. Herrington states that the dividend should be at least \$10,000.

According to Mr. Herrington the provision was inserted in the contract that the dividends should be paid to the association so that an accounting could be demanded. The secondary motive was to be able to collect the dues of delinquent members.

Whether the acceptance of the offered dividend by a member would (CONTINUED ON PAGE 30)

of insurance in Illinois. He was re-ferred to by Mr. Diemand at the opening session as the "baby commissioner." At the close of the banquet Chairman Jack Yost of the golf committee dis-tributed the golf prizes to the winners.

Mrs. George R. Blossom, Jr., Chicago, as chairman of the womens golf tournament.







Personalities at the casualty convention at White Sulphur Springs—Louis Kempf, secretary of Travelers; Col. Howard P. Dunham, vice-president American Surety, and Mrs. Dunham, and John A. Diemand, president North America companies, delivering his address as president of the International Association of Casualty & Surety Underwriters.

uning ierame

s at the

ling

ears any ced

ncv

Na-rety hur

na-en-

ing

ade the ded ack var-

not ver-cost sion gen-

orm

the su of in

### **ACCIDENT AND HEALTH**

#### **Expect Several Important** Life Companies to Enter **Accident-Health Field**

The trend toward establishment of personal accident departments by life companies that have not heretofore been in the field is likely to be accented by the first of the year. Several important life companies are either studying the idea or have definitely decided to enter the field.

At least one of the important Canadian companies is expected to take such a

There has been considerable demand for such facilities on the part of agents who now broker their business else-where. A life company entering the where. A life company entering the accident field could get quite a volume of business without any promotional effort, merely by receiving the business that is produced by its own agency organization and is ordinarily placed out-

Another factor that is undoubtedly in Another factor that is undoubtedly in the minds of company executives is that there is not involved in the acci-dent business the fiscal problem that is involved in connection with the investdent business the fiscal problem that is involved in connection with the investment of large life insurance policy reserves. There is the premium reserve and the loss reserve in accident insurance, but there is not the compulsion to carn 3 or 3½ percent that there is on life insurance policy reserves. The status of the accident account can be pretty well determined year by year and profit realized or a loss sustained without attempting to fathom developments of years in the future.

There is also the consideration that an accident department can be merged into the life insurance operations rather comfortably, with the possibility of relieving the life department of elements of overhead. Then there is also the fact that agents of companies that do have accident departments have been able to sustain themselves probably better than the average life insurance agent during times when the life business in a seluctory.

better than the average life insurance agent during times when the life business is in a slump. That was rather a conspicuous fact during the depression days. The accident income of a life insurance agent might be likened to the income that is received each week by the farm wife from the poultry department. It keeps the family in spending money between harvests of the major crops.

#### **Detroit Considers Plans for** National A. & H. June Parley

DETROIT—Preliminary plans for entertaining the National Association of Accident & Health Underwriters in Detroit next June were made at the first fall meeting of the Detroit Accident & Health Association.

President Charles Waddell, manager Loyal Protective, announced that plans have been approved to present educations.

have been approved to present educa-tional speakers on pertinent topics as well as entertainment at each of the nine monthly meetings during the ad-

nine monthly meetings during the administrative year.
Percy Atkinson, copy director of Campbell-Ewald Co., advertising agency, declared conditions are ideal at the present time for the sale of accident and health insurance. With taxes and living costs mounting and spending for luxuries being curtailed, people are thinking more of their security and the protection of their income assumes a constantly increasing importance.

#### **Consider Timely Topics** at Conference Regionals

Many timely topics confronting accident and health insurance today will be considered in round table discussions at the regional meetings of the Health & Accident Underwriters Conference to be

held in Cincinnati, Oct. 30, and Excelsior Springs, Mo., Nov. 6. Topics to be considered at both meetings include the attitude of the commercial prospect toward full coverage accident and health insurance, recent trends in hospital in-surance, women as agents and prospects, and the question of whether restriction on installment sales means a broader field for recruiting accident and health agents. Additional topics for the Cincinnati meeting include the problem of cancellation, non-renewals and waivers, developing more full-time repre sentatives.
W. G. Alpaugh, conference executive

ommittee chairman, will preside in the morning at the Cincinnati meeting and J. W. Scherr, Jr., Inter-Ocean Casualty, at the afternoon session, which will be at the afternoon session, which will be in charge of the agency management committee. Discussion leaders there include C. Norman Green, Hoosier Casualty; D. G. Trone, Indiana Travelers; H. P. Skoglund, North American Life & Casualty; T. T. McClintock, Ohio State Life, and W. B. Cornett, Loyal Protective Life. number of the field now are unlike C. Norman Green, Hoosier Casalty; D. G. Trone, Indiana Travelers; expanding their accident and health acsualty; T. T. McClintock, Ohio State ife, and W. B. Cornett, Loyal Protectife, and W. B. Cornett, Loyal Protection of the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field now are entering it, and other companies are extended to the field are being picked up.

There are several reasons for the increased interest in accident and health accident tive Life.

of the Business Men's Assurance, will preside at the two sessions at Excelsior Springs. Discussion leaders there are S. C. Carroll and H. C. Carden, Mutual Benefit Health & Accident, and George Young, Interstate Business Men's Accident.

These meetings are open only to representatives of conference companies, resentatives of conference companies, except for one section of the Excelsior Springs meeting at which Dr. E. H. Skinner, head of the Kansas City Medical Society, will speak on cooperation of the medical profession and accident and health companies. Representatives of other companies will be invited to attend that assession. tend that session.

#### Increased A. & H. Activity Creates Demand for Men

Quite a demand has arisen in recent months for accident and health men, particularly in the east. Some compa-nies not heretofore in the field now are

field have been optimistic, and it looks like a profitable business. Also, some of the other casualty lines, such as automobile P. L. and P. D., are not particularly good at the present time. Companies are cutting down on the business they will take, and in some cases are canceling the business. Accident and health looks to some companies a likely line to take up the slack, particularly line to take up the slack, particularly at the present time because of the widely spread increased earnings due to defense.

#### Touringsurance" Policy Extended

The Hoosier Casualty's "touringsurance" auto accident policy, giving coverage for 45 days at a premium of \$1, which has been widely advertised, principally by direct mail and radio, now has been made available for sale by all its agencies. It provides \$1,000 principal sum and \$500 reimbursement for automobile accidents and is renewable on request.

#### New Sales Campaign Calendar

A 1942 sales campaign calendar for managers and company men has been prepared by The Accident & Health Re-view. Hoodoo Day, Accident & Health

Then he telephoned . . .



Act 1: A strange street, blinding headlights, an accident . . . some one injured! Act II: The ride to the hospital, policeman's whistle screeching, your insured fearful of later damage suits. Act III: Then he telephoned the local Standard agent - one of thousands throughout America.

Relief! For Standard of Detroit steps in to protect your client in difficulty, and, if lawful claims

result, pays damages to the limits of the policy.

Standard Service Satisfies — in every emergency. Standard claim men are highly trained in protecting your clients. Standard coverage is continentwide. Standard Guest Medical Rider and Safe Driver Reward are additional sales points. And Standard advertising talks to a national market. Put us to work for your business.

### STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

looks autorticu-Cominess are and ikely larly

the

ded gsurcovprinnow y all prin-t for vable

ar for been ealth Week and National Association of Accident & Health Underwriters meeting dates are designated. In addition, space is left for indicating special company drives. Copies can be secured without charge from The Accident & Health Review, 175 West Jackson boulevard, Chicago.

### Disability Forms for Life Men Issued by Continental

Continental Casualty announces new accident and health contracts designed especially to fill a gap which has existed since life companies ceased writing disability benefits in combination with life policies. Two principal forms feature life-time coverage on both sickness and accidents, benefits payable from first day. They carry neither a pro-rate clause nor a termination age.

Another policy makes provision for over-age risks, whose policies have already terminated automatically or who cannot qualify for standard forms because of advanced age.

Meet Servicing Objections

#### Meet Servicing Objections

While there has been no lack of acci-While there has been no lack of accident and health insurance facilities, Continental points out, life men in general have not taken readily to available forms because servicing requirements made heavy demands on their time. Continentally, prevented the division establishment of the continuation of the co heavy demands on their time. Continen-tal's new intermediate division, estab-lished to handle the new series of poli-cies, incorporates a servicing system which eliminates this objection. Pre-miums are billed from the home office; relieving the producing agent of this burden. A highly organized division to handle claims also has been established. The objective has been to make it pos-sible for the agent to function as a sales-

The objective has been to make it possible for the agent to function as a salesman virtually 100 percent of the time.

Strictly competitive rates, which enlarge the market for lifetime indemnities substantially, have been accomplished not only by smaller renewal commissions but in addition by ultra modern accounting systems. Every conceivable money-saving device has been used. Resultant economies are directly reflected in the rate structure.

#### Simplified Agreement

As a further means of adapting the intermediate division to the needs of life agents, the Continental has drafted a

As a further means of adapting the intermediate division to the needs of life agents, the Continental has drafted a simplified agency agreement which makes possible local representation without conflict with present life activities.

Initial operations of the intermediate division will be restricted to selected mid-western states adjacent to Illinois. Ralph A. Corbridge, previously assistant Indiana manager of the Mutual Benefit, has been named as manager of the intermediate division.

Four policies will be issued: Life-time preferred risk for business and professional men; life-time standard risk covering men and women in practically all occupations with the same rate and coverage for women as for men; special over-age for both men and women in good health and actively engaged in business; and special hazardous risk.

Both the preferred and standard risk forms pay \$100 regular monthly income covering every sickness and accident except insanity and venereal disease and \$200 maximum monthly accident income payable from first day for ages 18 to 55 and beginning the 16th day for ages 56 to 60. The preferred risk form pays \$5,000 minimum and \$10,000 maximum accidental death indemnity and the standard form pays 50 percent of these amounts. Income is paid for non-confining sickness and partial disability from accident with 50 percent additional while in hospital up to 90 days. Physicians and surgeon fees for non-disabling injuries are paid up to one-fourth the regular monthly indemnity. Full coverage from first day on the preferred risk form costs \$23 for the first extended quarter (quarter starts first of the next month) and \$13 quarterly thereafter.

Rates on the standard policy are \$27 and \$17. Variations in benefits, additional hospital indemnity and discounts for elimination periods are provided. Over age rates for \$100 monthly indemnity and \$2,500 principal sum are \$35 for the first quarter and \$25 thereafter, the age limit for more being 56 to 70 and for limit for men being 56 to 70 and for women 46 to 55.

#### Campaign for W. R. Dignan

CINCINNATI—In recognition of the 16th anniversary of W. R. Dignan of the W. E. Lord Company, the agency is engaged in a production campaign during October. As a token of the esteem

in which Mr. Dignan is held by his associates, he was given a watch. The committee included J. M. Cronin, vice-president of the agency, T. M. Dugan, J. C. Droege, and C. R. Schlotman.

#### To Contest New California Law

SAN FRANCISCO - Various labor sick or death benefits for members have been advised to ignore Commissioner Caminetti's instructions to set up separate corporations for these activities until a court decision is rendered. In the meantime, following conferences between the commissioner and attorneys

for the California State Federation of Labor, questions regarding the new law which puts these organizations under the jurisdiction of the department of insurance, have been put up to the attorney-general for opinion.

A test case with the California State Federation of Labor giving legal support to the union involved, is expected.

#### Agency's Success Forces Move

The Bither Agency of United Benefit Life and Mutual Benefit H. & A. recently moved to larger quarters in the New Industrial Trust building at Provi-dence, R. I. The transfer, second in



Photograph courtesy U.S. Navy and Packard Motor Car Company

Boats of the PT class are built and manned for a specialized job in our National Defense. Tests under tough practical conditions have proved boats and personnel worthy—with power and speed to spare.

Repeated tests have proved F&D protection eminently fit for its job, too. Men and methods guarding F&D clients against the constant threat of loss are worthy of their steadily increasing trust. Through 48 smooth working field offices, the F&D extends its full home office facilities to agents and brokers throughout the United States. Sound counsel and swift service in protection are readily available to all present and potential clients, always.

Fidelity and Surety Bonds • Burglary and Glass Insurance

# Fidelity and Deposit



three years, was made necessary by the fact that since its inception the agency has tripled its life production and doubled its health and accident output. At the time of opening three years ago under I. Morris Bither, resident vice-president, the agency was located in one small office, about one-sixth the size of the new one. Through a small number of agents and brokers it was writing less than \$400,000 of life and 2,200 health and accident applications. Today, with 25 agents and 50 brokers, the agency is writing in excess of \$1,000,000 of life a writing in excess of \$1,000,000 of life a year and 5,000 health and accident applications. From one of the smallest agencies of the company, it has become the, largest in New England.

#### U. S. F. & G. Publishes New Accident, Health Manual

United States Fidelity & Guaranty has brought out a new accident and health manual in spiral binder that has been in preparation for a number of months and is very handily arranged. Field representatives were consulted and many of their suggestions adopted. It replaces the present manual Nov. 1.

The changes include simplification of the underwriting section, with some minor though liberal modification of restrictions; clarification of the analyses of policies; rate tables which give a large selection of combinations of principal sums, weekly indemnities and reimbursement limits and basic rates to figure any other combinations; an all inclusive section for "riders, endorsements and waivers," pages 113 to 119; a chart comparing coverages of policies.

No changes were made in present policies, rates, classifications, riders or endorsements.

#### Alldredge Is Chicago Speaker

F. B. Alldredge, superintendent of the accident and health department of Occidental Life and president of the Los Angeles Accident & Health Managers Club, told the Chicago Accident & Health Association at its meeting Tuesday about the plan of operation of the day about the plan of operation of the Los Angeles club, its activities and the way in which its programs are arranged. He said that holding the convention of He said that holding the convention of the National association in Los Angeles had been very beneficial to the club there and had brought some men into club activities who had not been active before. He also described the setup of the California state association, composed of the Los Angeles and San Francisco clubs, and its state meetings.

So much discussion was created by the report of the special committee proposing a change in the membership and dues setup that action was deferred to a meeting that is to be called especially for consideration of that subject.

#### Seattle Club to Elect

The Seattle Accident & Health Managers Club will meet Oct. 17 to elect new officers for 1941-42. The organization is planning its annual stag party to be held some time in November.

#### Present Playlet Before Life Men

The Accident & Health Underwriters of St. Louis will present the playlet, "Accident and Health in Action" at a meeting of the St. Louis Life Underwriters Association Thursday. The cast will be from the School of the Theater, when of the Little Theater of St. Louis a unit of the Little Theater of St. Louis.

#### Ohio State Has Record Month

Accident and health premiums collected by Ohio State Life in September were the largest in its history and 20 percent above September, 1940.

#### Am. Bonding Writes Big Bond

American Bonding, through its general agents in New York, Hoey, Ellison & Frost, has executed a performance bond of \$1,500,000 and a labor and material bond of the same amount in connection with the construction of the

three years, was made necessary by the Manhattan Tunnels of the Brooklyn-Bat-Hanger Co., New York City, were the successful bidders, the amount of the contract being 13,948,619. Sixteen other companies are participating as

#### Financed Car Issue Heard by Lloyd of Ohio

COLUMBUS, O.—A hearing on the question whether an insurer which accepted applications for cover on financed cars from auto dealers or finance compacars from auto dealers or finance companies violates the Ohio agency laws was held before Superintendent Lloyd Wednesday. The respondent was Service Fire, subsidiary of C. I. T.

The hearing was continued until Oct. 25 when Service Fire will present its case. The decision may have farreaching investments.

ing importance.

#### Plan Michigan Surety Talks

DETROIT—Plans of surety participation in the series of Michigan agents' educational meetings were laid at the October meeting of the Surety Association of Michigan, with James Fenwick,

siding. E. W. Miller, Jr., assistant manager Globe Indemnity, was named chairman of a special committee to arrange for talks on fidelity and surety topics.

#### Uninsured Claims Totaled

NEW YORK—Awards totaling \$108,084 were made by workmen's compensation referees of the state labor department in 547 cases against uninsured employers in this city and in favor

assistant manager U. S. F. & G., pre- of their injured employes during the siding.

#### Ruling on Deputy Sheriff's Bond

The attorney-general of Ohio holds that the premium on a bond which per-mits a deputy sheriff to go armed may not be paid from public funds by the county commissioners.

San Francisco Firemen's Hospital Fund organized by the San Francisco fire department, has been licensed by the California department.

#### AGENCY INSTRUCTOR

Old established company writing non-cancellable accident and health and legal reserve life insurance has opening in central states for an Agency Instructor. Applicant must be under 50 years of age, have good record in accident and health production and be in a position to travel. Salary and expenses with good opportunity for advancement to party qualifying. Write giving age, education, sales experience and nationality. All replies treated in strict confidence. Address O-31, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



#### ORGANIZED 1875



#### ACCIDENT AND CASUALTY INSURANCE COMPANY OF WINTERTHUR, SWITZERLAND 111 JOHN STREET **NEW YORK**

OGDEN DAVIDSON UNITED STATES MANAGER

CHARLES A. BARKIS U. S. ASSISTANT MANAGER

#### United States Branch

FINANCIAL STATEMENT DECEMBER 31, 1940

#### ADMITTED ASSETS

U. S. Govern	ment	Bo	nds							\$2,385,115.18
Other Bonds										1,504,386.53
Stocks										134,836.00
Other Assets										867,741.15
										\$4,892,078.86
		1	LI.	A B	IL	I	ľI	E S		
Reserve for	Clair	ns								\$ 913,754.96
Reserve for	Unea	rne	ed	Pre	mi	un	18			1,032,267.02

201,325.19 Reserve for Other Liabilities . . . . Voluntary Contingency Reserve . . 244,731.69 Statutory Deposit with New York . . . \$ 850,000.00

Net Surplus over

Deposit . . . . . 1,650,000.00

Policy Holders' Surplus . . . . . . 2,500,000.00 Total . . . .

Bonds and Stocks are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,326,147.25 are deposited as required by law.

On the basis of December 31st, 1940 for all bonds and stocks owned this Company's total admitted assets would be increased to \$5,088,897.15 and Voluntary Contingency Reserve to \$441,549.98.

All Assets in this Statement are held, in their entirety, for protection of United States Branch of the Company and its Policyholders and Creditors.



#### INVESTED ASSETS

59.27% U. S. Government Bonds 37.38% Other Bonds; 3.35% Stocks



941

the

olds

the

#### **Buckeye Union Holds** Many Agency Gatherings

Many Agency Gatherings

A series of agency meetings in various cities in Ohio, Indiana and West Virginia are being held throughout October by Buckeye Union Casualty and Buckeye Union Fire. In the afternoons there is a discussion of automobile problems by H. L. Andrews, then a panel discussion in charge of S. W. Schellenger, sales promotion manager, assisted by John A. Dodd, Jr., assistant manager of the fire company, and Donald R. Haverick, special liability representative. The afternoon program is in charge of Ira L. Morris. The dinner program is in charge of President Frederick E. Jones and the speakers include Robert E. Jones, vice-president; Mr. Morris; B. J. Mertz, comptroller, and A. R. Gibson, vice-president of the fire company. At these meetings there is much discussion of the new comprehensive liability policy which Buckeye Union is now issuing. On Tuesday of this week there was an agency meeting at Cincinnati and on Wednesday another in Dayton. Next week the meetings will at Cincinnati and on Wednesday another in Dayton. Next week the meetings will be at Indianapolis and Huntington, W.

Va.

That Buckeye Union Fire will more

than double its premium income in 1941 is revealed by F. E. Jones in his talks. President Jones stated that despite a 25 percent increase in business, cases in litigation had increased by only a single one as compared with last year, Mr. Jones stressed that the relationship with agents is a partnership and urged them to exert even greater care in selection of

Present problems particularly the increased cost and number of claims are being discussed by R. E. Jones. He promised that the company would make even greater efforts to settle claims quicker, because a saving usually in-volved.

#### **Breakfast Conferences** Popular at Kansas City

(CONTINUED FROM PAGE 6)

agent would arrange to contact the justices of peace in his community and other members of the judiciary stating, "if we could get these persons interested in accident prevention, it would go a long way in improving conditions." He suggested that the agents get the judges to come out and declare for enforcement on a reasonable basis. forcement on a reasonable basis.

#### FIRE PREVENTION

C. W. Schoelzel of Denver, new president of the Colorado association, presided over the breakfast conference devoted to fire prevention. He referred to the fact that his office had at least one policy covering the assured for legal liability in case anyone suffering a fire loss atempts to hold him liable because of alleged negligence.

Howard Bradshaw of Delphi, Ind., went into detail explaining the system that has been worked out whereby a fire truck was purchased, manned by volunteer firemen to answer calls in rural territory covering Delphi, and three townships. He said that he is preparing a booklet giving full information as to how this plan was worked

#### AUTOMOBILE ADJUSTER WANTED

Central Indiana insurance agency requires additional adjuster for auto, fire, theft, collision. Give age, experience, salary expected. Address Box O-32, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED

MANTED
man 28 to 35 years of age, experienced in accident and health claims, including monthly premium and group, to manage accident and health claim department in Chicago department of multiple line casualty company.

Address O-33, care The National Underwriter, 175 W. Jackson Blvd., Chicago, III.

out very successfully. It will be a di-gest of the study made by Mr. Brad-shaw and his associates of various plans in effect elsewhere and an explanation of the plan adopted at Delphi. John M. Francis of the National Board spoke on the model fire preven-tion ordinance and explained the precen-

tion ordinance and explained the procedure that might be followed by towns and cities in geting this into action.

#### New License Plan Explained

INDIANAPOLIS—The new Indiana plan for licensing accident and health insurance agents was explained at the October 13th meeting of the Indianapolis Accident & Health Club by John McGurk, Indiana manager of Mutual Benefit Health & Accident and members of the insurance commissioner's committee which formulated the new system.

which formulated the new system.

J. M. Drake, president Empire Life & Accident, chairman public relations committee, announced speakers chosen from the membership who will address vari-ous service and civic groups throughout the Indianapolis territory on accident

the Indianapolis territory on accident and health insurance.

Don G. Trone, Indiana Travelers Assurance, was elected as the Indianapolis representative on the law and legislation committee of the National Association of Accident & Health Underwriters, headed by W. T. Hammer, New York.



INFORMAL GROUPS IN THE GREENBRIER LOBBY DURING BIG CASUALTY CONVENTION AT WHITE SULPHUR SPRINGS—

Top panel—Charles H. Burras, Joyce & Co., Chicago, secretary National Association of Casualty & Surety Agents; C. A. Abrahamson, Omaha, past president, and Lew Webb, Conkling, Price & Webb, Chicago, new president casualty agents' association.



WE TAKE PLEASURE IN ANNOUNCING THAT **EFFECTIVE JANUARY 1, 1942** 

CAMDEN FIRE INSURANCE ASSOCIATION CAMDEN, N. J. NEW HAMPSHIRE FIRE INSURANCE COMPANY

MANCHESTER, N. H. will become Members and the

GRANITE STATE FIRE INSURANCE COMPANY PORTSMOUTH, N. H.

will become an Associate Company of the

### UNITED STATES AIRCRAFT INSURANCE GROUP which will then be composed of the following companies:

FIRE MEMBERS

Actna Insurance Co., Hartford, Conn.
Agricultural Insurance Co., Watertown, N. Y.
Automobile Insurance Co., Hartford, Conn.
Boston Insurance Co., Boston, Mass,
Camden Fire Insurance Association, Camden, N. J.
Fidelity & Guaranty Fire Corporation, Baltimore, Md.
Hartford Fire Insurance Co., Hartford, Conn.
Insurance Company of North America, Philadelphia, Pa.
National Union Fire Insurance Co., Pittsburgh, Pa.

Aetna Casualty and Surety Co., Hartford, Conn. American Surety Company, New York, N. Y. Century Indemnity Co., Hartford, Conn. Hartford Accident & Indemnity Co., Hartford, Conn. Maryland Casualty Co., Baltimore, Md.

BERS

New Hampshire Fire Insurance Co., Manchester, N. H.

North River Insurance Co., New York, N. Y.

Phoenix Insurance Co., Hartford, Conn.

Providence Washington Insurance Co., Providence, R. I.

St. Paul Fire & Marine Insurance Co., St. Paul, Minn.

Springfield Fire & Marine Insurance Co., Springfield, Mass.

Travelers Fire Insurance Co., Hartford, Conn.

United States Fire Insurance Co., New York, N. Y.

Westchester Fire Insurance Co., New York, N. Y.

CASUALTY MEMBERS

EMBERS

Massachusetts Bonding & Insurance Company, Boston, Mass.

New Amsterdam Casualty Co., Baltimore, Md.

Travelers Insurance Co., Hartford, Conn.

Travelers Indemnity Co., Hartford, Conn.

United States Fidelity & Guaranty Co., Baltimore, Md.

ASSOCIATE FIRE COMPANIES

ASSOCIAT
Alliance Insurance Co. of Philadelphia, Pa.
Anchor Insurance Company, Providence, R. I.
Atlantic Fire Insurance Co., Raleigh, N. C.
Birmingham Fire Insurance Co. of Pittsburgh, Pa.
Central Insurance Co. of Baltimore, Baltimore, Md.
Central States Fire Insurance Co., Wichita, Kan.
Charter Oak Fire Insurance Co., Hartford, Conn.
Citizens Insurance Co. of New Jersey, Jersey City, N. J.
Connecticut Fire Insurance Co., Hartford, Conn.
Empire State Insurance Co., Watertown, N. Y.
Equitable Fire & Marine Insurance Co., Providence, R. I.
Granite State Fire Insurance Co., Protimouth, N. H.
Mercury Insurance Co., St. Paul, Minn.

COMPANIES
Michigan Fire & Marine Insurance Co., Detroit, Mich.
Minneapolis Fire & Marine Insurance Co., Minneapolis, Minn.
National Security Insurance Co., Omaha, Neb.
New England Fire Insurance Co., Pittsfeld, Mass.
New York Underwriters Insurance Co., New York, N. Y.
Northwestern Fire & Marine Insurance Co., Minneapolis, Minn.
Old Colony Insurance Co., Boston, Mass.
Philadelphia Fire & Marine Insurance Co., Philadelphia, Pa.
Piedmont Fire Insurance Co., Charlotte, N. C.
Sentinel Fire Insurance Co., Springfield, Mass.
Standard Fire Insurance Co., Hartford, Conn.
Twin City Fire Insurance Co., Minneapolis, Minn.
World Fire & Marine Insurance Co., Hartford, Conn.

ASSOCIATE CASUALTY COMPANIES
United States Casualty Company, New York, N. Y.

New York Casualty alty Company, New York, N. Y.

#### WE ALSO TAKE PLEASURE IN ANNOUNCING THAT EFFECTIVE OCTOBER 15, 1941:

We are opening two new departments, namely, the Eastern and Southern Departments.

(b) We will operate nationwide through four departments, described below, equipped with complete underwriting authority to meet all the needs of agents and brokers.

EASTERN DEPARTMENT
UNITED STATES AVIATION UNDERWRITERS, INC.

Ground Floor
80 John St.
New York, N. Y.
Henry N. Beers, Mgr.
Connecticut
ew Hampshire
ew Hampshire
lassachusetts
hode Island
New York
Pennsylvania
lassachusetts
New Jersey
Delaware
West Virginia
West Virginia

Maine New Hampshire Vermont Massachusetts Rhode Island

Maryland District of Columbia Virginia West Virginia

SOUTHERN DEPARTMENT UNITED STATES AVIATION UNDERWRITERS, INC.
Trust Company of Georgia Bldg.
Atlanta, Georgia
H. Cecil Wasson, Mgr.

Florida Louisiana Arkansas Oklahoma

WESTERN DEPARTMENT
UNITED STATES AVIATION UNDERWRITERS, INC.

175 W. Jackson Boulevard
Character of the Committee of the Comm

Indiana Kentucky Illinois

PACIFIC COAST DEPARTMENT UNITED STATES AVIATION UNDERWRITERS, INC.
724 S. Spring Street
Los Angeles, Cal.
Frank C. Treadwell, Mgr.

Washington

Arizona Nevada Idaho Montana

UNITED STATES AVIATION UNDERWRITERS

### **NEWS OF CASUALTY ASSOCIATIONS**

#### Los Angeles Casualty Men Schedule Many Addresses

LOS ANGELES—The schedule of casualty addresses before the San Diego Insurance Exchange by members of the speakers bureau of the Casualty & Surety Fieldmen's Association of Los Angeles has been announced.

ety Fieldmen's Association of Los Angeles has been announced.

Nov. 3, 10 and 17, liability insurance, L. C. Carleton, Fireman's Fund Indemnity; John Gurash, American Surety; G. E. Williams, Aetna Casualty; D. L. Gogerty, U. S. F. & G.; W. J. McKinnon, Great American Indemnity, and James McWilliams, Fidelity & Casualty.

Nov. 24 and Dec. 1, compensation insurance, E. B. Howorth, American Surety; and F. C. Myers and Roger Hill, Aetna Casualty; John Deuel and John Sherman, Travelers Indemnity.

Jan. 5, aviation, Joseph Chapman and William Churchill, Associated Aviation Underwriters, and Harris Goodrich, U. S. Aviation Underwriters; and water damage, C. W. Salter, Hartford Steam Boiler, and Mr. McWilliams.

Jan. 12, burglary, Mr. Gurash and Mr. Carleton.

Carleton.

Jan. 26, accident and health, Otto Kloppenburg, Hartford Accident, and Raymond Needham, Glens Falls Indem-

nity. Feb. 2 and 9, fidelity and surety, Hayward Andrews, Aetna Casualty, and Mr.

ward Andrews, Aetna Casualty, and Mr. Gogerty.
S. H. Butler, Hartford Accident, will address the Insurance Exchange of Orange County Oct. 27 on "Comprehensive Liability," and R. P. Wilkins, Fireman's Fund Indemnity, will talk before the Westwood Village Insurance Agents Association Oct. 17 on "Changes in the Liability Manual."

#### Accident Reports Discussed

LOS ANGELES-At a meeting of

LOS ANGELES—At a meeting of the Casualty Insurance Adjusters Association of Southern California R. T. Oliver, California Casualty Indemnity Exchange, again reported on the recent ruling of the industrial accident commission that companies must make report of accidents to the commission.

Mr. Oliver said that, after a conference with the Northern California Association in San Francisco, it was the consensus that the commission has authority to issue such a ruling and the companies should endeavor to comply with it. However, the opinion was that the ruling applies only to medical reports, not to all reports, and the committee recommended that only the medical reports be filed.

Attorney Forrest E. Betts reported on the American Bar Association meeting, with especial attention to the insurance section.

#### Milwaukee Board Meets Oct. 23

MILWAUKEE — The Milwaukee Board of Casualty & Surety Underwriters will meet Oct. 23. Theodore Johnson, of R. R. Elsner Agency, president, will report on the annual convention of the National Association of Insurance Agents at Kansas City, which he is atending this week as delegate of the casualty hoard

he is atending this week as delegate of the casualty board.

The first issue of the "Milwaukee Underwriter," official publication of the Board, has been issued by the educational bulletins committee, headed by John E. Masak of Geo. H. Russell Co. agency. Stressing that every worthwhile agent should be a member of the board, the bulletin discusses as of first importance the enactment of a proper agents' licensing law in this state.

#### Vinson in San Antonio

SAN ANTONIO—Thirty members of the San Antonio Claims Men's Association heard E. R. Vinson, special agent of the claims bureau of the Association of Casualty and Surety Executives on the work of the bureau in connection with fraudulent claims, especially those

made by repeaters. He stressed the importance of the cooperation of those reporting claims in securing and furnishing to the bureau all details as to the character of the claim, the place of the occurrence of the supposed or generate in the supposed or generate supposed supposed or generate supposed or generate supposed suppose uine injury, the name of the claimant and any alias or aliases. He explained how important the full name of the claimant is in preventing confusion be-tween the individual making the claim and another party of almost identical name. He developed the importance of having medical evidence from doctors who can not have any motive for sustaining the claims of a repeater.

#### Attorney Is Columbus Speaker

Eugene L. Hensel, Columbus, O., in-surance attorney, addressed the Colum-bus Claims Club Monday on "Construc-tion of a Modern Casualty Insurance Policy."

#### Ruffing Ohio Vice-president

O. P. Ruffing, Travelers casualty manager, Columbus, has been elected vice-president of the Ohio Association of Casualty & Surety Managers to fill a vacancy caused by the advancement of Frank R. Middleton, National Surety, to president.

Comprehensive liability was discussed at the Pittsburgh Casualty Insurance Association's monthly luncheon.

### **CHANGES**

#### G. T. Kerlin in Bond Post with General Casualty

G. T. Kerlin has become associated with General Casualty of Seattle in its bond department in St. Louis. He had been with United States Guarantee in its western department in Chicago since its western department in Chicago since 1937. He commenced his insurance career with Fidelity & Deposit at Washington, D. C., after attending the training school. He was later transferred to Omaha as special agent in Nebraska and South Dakota until he went with Joyce & Company in St. Paul as field man in Minnesota, South Dakota, Wisconsin and upper Michigan. After about a year and a half he went to Milwaukee as assistant manager of National Surety. Then in 1937, he became waukee as assistant manager of National Surety. Then in 1937, he became associated with U. S. Guarantee.

associated with U. S. Guarantee.

The western department in St. Louis is the underwriting center of the casualty and surety operations in the middlewest of General Casualty. Also in the bond department there is N. F. Geoghegan, an experienced man.

#### Gurash Made Assistant Manager

LOS ANGELES-John Gurash, who has been special agent in the Los Angeles branch office of American Surety and New York Casualty, has been appointed assistant manager. He has been with the two companies for more than

#### Allen with Mass. Bonding, K. C.

KANSAS CITY—J. V. Allen, formerly with U. S. F. & G. in Chicago for three years as compensation and O. L. & T. underwriter, has been made super-

intendent of the casualty department for Massachusetts Bonding's branch here.
Mr. Allen succeeds Floyd W. Ramey
who has gone with the Harold M.
Franklin agency, Kansas City, Kan.

#### Hancheck Field Supervisor

Lawrence S. Hancheck has been ap-pointed home office field supervisor for Suburban Auto. Formerly he was a special agent for northern Illinois, and

special agent for northern Illinois, and has now been given the entire state of Indiana in addition to his old territory.

Suburban Auto, of which Edwin F. Diecke is president, now is licensed in Illinois, Indiana, Iowa, Ohio, Michigan and Minnesota. The company made a good increase in new business the first nine months of this year.

#### Stevick Assistant Bond Manager

Donald J. Stevick has been named assistant manager of the bonding department in the San Francisco branch of Standard Accident. He will assist Charles E. Cole, bonding manager. Mr. Stevick is an experienced bond man and is well known in the business. is well known in the business.

#### Gilmore with Freeport Motor

Don M. Gilmore of Cedar Rapids has Don M. Gilmore of Cedar Rapids has joined Freeport Motor Casualty as special agent in eastern Iowa. He takes the place of Robert Sutton. Mr. Gilmore was in the investment security business for about 11 years and then went with Continental Casualty for a short time. Lately he has been representing Mutual Surety of Des Moines.

#### Manages Casualty Department

John Dahl has been appointed manager of the casualty department of Mor-rison & Co., Omaha general agents. Mr. Dahl has been with National Surety.

### PERSONALS

George Ainslie, Jr., superintendent of agencies of New York Casualty, has returned to headquarters after an extensive visit to the Pacific Coast, spending several days each in Seattle, San Francisco and Los Angeles.

W. B. Clarkson, casualty manager W. B. Ciarkson, casualty manager of Travelers in Newark, has completed 44 years with the company. He started as a bookkeeper in the old Travelers office at 31 Nassau street, New York City. In 1906 he was appointed assistant manager in Newark and manager the following

Standard Accident was host at a cocktail party at the White Sulphur, W. Va., casualty convention, and also held a dinner which was attended by a number of Standard Accident officials who were present. These included President Charles C. Bowen, J. P. Hacker, Ralph H. Platts, K. R. Owen and J. A. Mullen, vice-presidents; Hal White, agency superintendent; V. H. Bartholomew, Chicago branch manager; Louis Cass, general agent of Los Angeles, and Wheaton Williams, a partner in Fred L. Gray & Co., Minneapolis, Standard general agents. Mesdames Mullen and Cass also were present.

Robert L. Neptune, associate manager

Robert L. Neptune, associate manager of the New York metropolitan office of American Surety and an employe of the company for 33 years, died at the Flushing Hospital, Flushing, N. Y., following



Paul F. Jones, Illinois insurance direc tor, and Mrs. Jones are shown above as they appeared at White Sulphur conven-

Below are two notables from Baltimore. Commissioner John B. Gontrum and J. Arthur Nelson, president of New Amsterdam Casualty.

a brief illness. At one time, after several years' service with American Surety, he was connected with New York Casualty, returning to the former company when it was purchased by the American Surety.

#### Start General Casualty Building

MADISON, WIS .- Contractors have started the construction of a new office building for General Casualty, which now has its main office in its own building in Monroe, Wis. Executive offices have been maintained in Madison by President W. B. Roys on the seventh floor of the Insurance building. The new building here will have two floors facing Wilson street and three at the rear. The construction permit pro-vides for a \$55,000 structure.

#### Certified — Public Accountants

#### ILLINOIS

### S. ALEXANDER BELL

BAUMANN, FINNEY & CO.

Certified Public Accountants ce Accounting, Audits and Syste

> 208 South La Salle Street Chicago, Illinois Telephone: Central 1379

REINSURANCE - EXCESS COVERS

### **EXCESS UNDERWRITERS, INC.**

JOSEPH P. GIBSON, JR.

MORTIMER D. PIER

90 John Street

New York, N. Y.

### CHASE CONOVER & CO.

Auditors & Accountants

135 So. La Salle Street Chicago

Telephone Franklin 3868







At the big casualty convention at White Sulphur Springs—Baird Snyder, deputy administrator wage and hour division, U. S. Department of Labor; Lieutenant General Ben Lear, U. S. A., convention speaker, and George E. Cruickshank, Detroit.

### Fine 15 Companies in N. Y. Violations

(CONTINUED FROM PAGE 21)

should form and set up a special unit either as a part of the rating bureau or independent therefrom, whose function it shall be to examine without limitation into underwriting practices of all lines of asurance of all companies, domestic and

irec e as

ster-

sev-ican Vew

the

ave

ildices

nth The the ro-

insurance of all companies, domestic and foreign.

2. The Compensation Insurance Rating Board should make more intense and comprehensive test checks of audits throughout the state and should expand its facilities to effect the same.

3. Rate making associations formed pursuant to the provisions of the insurance law should be required to keep and maintain a record of all complaints filed or lodged with them relating to a violation of the insurance laws of the state of New York.

4. The wilful withholding or giving of false or misleading information required by and to the Compensation Insurance Rating Board or any other rate making association formed pursuant to the provisions of the New York insurance law, or to the insurance department, which will in any way affect the rate or premium chargeable to any assured or group of assureds should constitute a violation of the insurance law and be punishable thereunder.

Urge Non-Partisan Rate Study

#### Urge Non-Partisan Rate Study

5. Wherever coverage is extended by a company to an assured which directly or indirectly carries on operations in the state of New York as well as elsewhere, it should be requidred to file with the insurance department a statement setting forth details of the coverage, including the rates, charges and the exposure.

6. A non-narrisan national hody or or-

6. A non-partisan national body or or-ganization of a representation of partici-pating and non-participating companies and such others as may be interested therein should be formed for the purpose therein should be formed for the purpose of making a study of the entire rate making and rate administration situation in all states in workmen's compensation and other lines and to assist in the regulation of rates in all states. The National Association of Insurance Commissioners should be invited to assist and cooperate in the formation and functioning of the body.

body.
7. Carriers should exercise great care in the selection of their auditors, school them at the commencement of their employment, closely supervise their work, and pay them a wage commensurate with the responsibility assumed by them.
8. The supervision should be en-

with the responsibility assumed by them.

8. The supervision should be entrusted to at least one responsible officer of the company and the audits carefully examined and checked.

9. Auditors should be required to enumerate and give a list of each and every book, paper, record, and every other document examined by them, and reveal in detail the basis of the information and payroll reported. The audit should be verified and attested as to accuracy by the employer in writing.

#### Ask State to Cover Vehicles

SEATTLE-A resolution calling on the state of Washington to insure all of

its motor vehicles against bodily injury and property damage hazards has been adopted by the Washington State Grange. There are "approximately 2,000 drivers and automobiles and trucks" employed by the state which "is not now liable for injuries to the person or property of its citizens damaged by negligence or carelessness of its employes" the resolution declared ployes," the resolution declared.



A. Duncan Reid, former president of Globe Indemnity, and William A. Earls of the Earls-Blain Company agency, Cincinnati, get confidential during casualty gathering at White Sulphur.

A PRACTICAL SERVICE TO FIELDMEN, MADE EFFECTIVE BY THE PERSONAL SALES BACKGROUND OF OUR EXECUTIVE STAFF

Established 1897

CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

#### Councillors in Regional Conferences

(CONTINUED FROM PAGE 8)

& Surety Underwriters joining with the American Mutual Alliance in bringing out automobile rating and form changes. He said that the stock companies should stand on their own grounds and not go into partnership with the mutuals.

#### SOUTH

The cotton insurance situation in the south was one of the big topics at the meeting of the southern territory's National Councillors' group. Ed. H. Moore of Ed. S. Moore, Inc., Birmingham, presided, and H. A. Brown, manager of the South Carolina Association of Insurance Agents, acted as secretary, All states in the Southern Agents' Conference were represented. More than 60 attended, which is the largest number in the history of the group.

At present the Commodity Credit Corp. will accept warehouse charges on "acquired" cotton at a maximum charge of 12½ cents a bale. This charge is to cover insurance costs on an indemnity up to only 10 cents a pound. Cotton now is selling at around 18 cents per pound. This will make the federal agency a self insurer for the difference. Agents seem inclined to let this situation ride as it is.

ation ride as it is.

#### Warehouse Charges Change

John Ledbetter of Hartford Fire, Atlanta, explained that some time ago the Commodity Credit Corp. set a 25 cents per bale charge on warehousing of acquired cotton, which is cotton the C.C.C. owns in fee simple. Because the cotton was seldom shifted, there was little expense for warehouse except inlittle expense for warehouses except insurance, so the warehouse cost was gradually reduced to  $12\frac{1}{2}$  cents. An effort to lower it still further was drepped dropped.

because of vear increased This year because of increased movement of cotton and other factors the costs of warehousing went up. The price of cotton almost doubled, and warehouses asked for a larger warehouse fee. This the C.C.C. declined, but did limit the insurance requirement to 10 cents.

#### Form Being Evolved

The C.C.C. asked the insurance companies to work out a form, which now is practically done, embodying the 10 cent maximum coverage. In addition the C.C.C. expects this week to send out supplemental storage contracts to warehousemen which will effect the 10 cent limitation with contract warehouses.

Loan cotton, in which the producer still retains an equity, will continue to be handled as in the past, the ware-

be handled as in the past, the warehouseman buying 100 percent insurance out of a warehouse fee of a new, higher rate of 17 cents a bale.

It was pointed out that the Commodity Credit Corp., being a federal agency, cannot buy insurance direct, that its purchase of cover heretofore has been possible because of the warehouse charge arrangement. The C.C.C. no longer insures acquired tobacco, though it permitted cover on the 1940 crop to run the period of the policies.

#### Electrical Disturbance Losses

The conference committee of the Southern Agents' Conference will put on the agenda for discussion with the Southeastern Underwriters Association the suggestion that the fire form be

the suggestion that the nre form be broadened to include damage from electrical disturbances.

The companies are not uniform in their treatment of such losses under the present policy are the suggestion. their treatment of such losses under the present policy, some paying, others denying liability. This situation is the source of considerable grief and trouble, it was brought out, particularly with electrical refrigerator and radio losses. It was suggested that the companies might experiment with such coverage in the fire policy in a section or state

to determine the feasibility of general use, but not making an extra charge in the south where fire experience has been good.

been good.

Another source of trouble to some agents is the differential in rates between fourth class and country property, particularly just outside a city. Sometimes the companies use the cheaper rate for competitive purposes, and while the councillors decided to leave the matter up to each state to work out, they strongly advocated elimination of the differential.

The trend toward a lower scale of

ination of the differential.

The trend toward a lower scale of commissions, just now quite noticeable in the business, has revived the subject of contingent commissions, at least among the southerners. Charles Gandy, Birmingham, former National association president, said he believes the agent is entitled to a contingent on fire as well as on casualty business. Such a commission might meet the problem a commission might meet the problem of lower commission trend.

#### Want Broader Fire Cover

The present fire policy on mercantile The present fire policy on mercantile stocks should be broadened to cover assured's liability on merchandise he does not own outright. O. Shaw Johnson of Mississippi said that 90 per cent of the furniture and fixtures bought by merchants in the south are purchased on time. Since several of the other states apparently have met this problem, either by securing assurance from companies they will pay such losses or by use of a special form or endorsement, the councillors voted to take up the matter with the S.E.U.A. for the benefit of Mississippi.

The southerners are also interested in

The southerners are also interested in getting the auto liability policy broadened so that drive-other-car cover will apply to all members of assured's family, even the young son or daughter away at school.

#### PACIFIC COAST

Harold I. Callis, Santa Barbara, per-

Harold I. Callis, Santa Barbara, performed as chairman of the meeting of the national councillors of the far west territory. Frank C. Colridge, Oakland, Cal., was secretary of the meeting.

Among the subjects discussed was the possibility of urging the companies to reduce the provisional reporting form minimum premium from the present level of \$100. It was the consensus that a committee be appointed to form a contact group to confer with the Pacarontact group to confer with the Pacaronta contact group to confer with the Pacific Board on this matter. The councillors also declared themselves for a reporting U. & O. form. The resolution pointed out that present U. & O. form is unsatisfactory. The agents of the Pacific Coast are aware of the fact that in many instances the Pacific Board must confer with the home offices of

the companies, in most cases located in the east, for specific rulings. The councillors are suggesting to the

national council of the National associ-ation that a committee be appointed to confer with the companies on reporting forms for U. & O. and other forms now being used.

A provisional form on farm business A provisional form on farm business was discussed. The question was asked, why not use such a provisional form when it is being used for other forms of business?

forms of business?
Representatives of nine far western states were in attendance.
It was decided at this meeting to change the manner of financing the far west councillors' group. Hereafter there will be minimum dues of five dollars per year from each of the 11 states that are members of the conference.

#### Want Casualty Bureau Branch

The councillors went on record for an autonomous branch of the National Bureau of Casualty & Surety Underwriters at San Francisco, with authority to make rates for the Pacific Coast.

#### EAST

The national councillors from Eastrn Underwriters Association territory reelected R. M. L. Carson, Glens Falls, N. Y., chairman and chose T. A. Sturgess, New Haven, Conn., secretary. The meeting turned almost entirely into a discussion of what the function of national councillors is or should be. The

tional councillors is or should be. The group voted to withhold judgment until after the full meeting of the national council Tuesday, and to hold an additional session after that meeting.

Two past presidents of the National association, E. J. Cole, Fall River, Mass., and K. H. Bair, Greensburg, Pa., led the discussion, each maintaining that the eastern group has been the least effective of the territorial couning that the eastern group has been the least effective of the territorial councillors' organizations. They pointed out that this territory has difficult problems, with at least seven rating jurisdictions and with an unusually difficult problem of turnover of councillors. Mr. Bair stated emphatically that the eastern councillors should meet every 60 or 90 days in New York or some other convenient place. Action on this proposal was postponed until on this proposal was postponed until after the national council meeting.

#### North Is Hopeful

D. A. North, New Haven, Conn., member of the national executive committee, said that the committee hopes the councillors will become a more effective body and that the recent steps to this effect should bear fruit.

There did not appear to be much interest in the proposal to make the filing face of the fire policy uniform nation-wide. It was agreed that the minutes of this and future meetings would be sent to all state associations in the

territory.



Group of spurious Texans at agency convention—Al A. Fischer, St. Louis; Arthur Jordan, St. Louis; Frank Pocquette, Chicago, western field representative of Meserole group; Robt. U. Heffernan, St. Louis; John Beddingfield, Ohio, state agent Meserole

#### Uncle Edson



EDSON S. LOTT

Edson S. Lott, venerable chairman of United States Casualty, is shown as he was photographed at casualty gathering at White Sulphur Springs.

### Accountants Face Important Topics

The first autumn meeting of the Assorine first autumn meeting of the Asso-ciation of Casualty & Surety Account-ants & Statisticians will be held in Bal-timore, Oct. 17-18. The meetings will convene at the Maryland Casualty club house. Among the major items for dis-

house. Among the major items for discussion are:
Problems in connection with compliance with census report of foreign funds, due Oct. 31.

due Oct. 31.

Changes in effect and proposed in the annual statement convention blank and New York casualty experience exhibit.

Report of special committee on Massachusetts ruling re unearned premium reserves, compensation and liability

Report of special committee on re-Report of special committee on reserves for expenses of investigation and adjustment of unpaid claims.

Arrangements for 20th anniversary dinner to be held in December.

#### California Restaurateurs in Insurance Fight

#### (CONTINUED FROM PAGE 23)

prevent the association from securing for him the larger amount which the association believes is due is now being studied by attorneys. If the attorneys decide that the association can properly protect the individual assured after he has accepted the offered dividend, the association will give any member in good standing, a letter authorizing the insurer to pay its dividend to the member direct.

insurer to pay its dividend to the member direct.

The October edition of "California Restaurant Magazine" goes into the issue extensively.

The restaurant association is still making an active campaign to get restaurants to come in under its insurance scheme. Under the contract with Industrial Indemnity there is a minimum premium of \$36 for compensation coverage and the policy may be written through any local agent selected by the individual restaurant.

Public liability, holdup and burglary coverage is available to members through Canadian Indemnity. Then the association tells members that special reduced rates on fire insurance and fidelity bonds are available for those restaurants which individually qualify.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

SSO-

Bal-

will club dis-

inds,

the.

Mas-

oility

and sary

ring

eing neys erly

em-

rnia

nak ance Innum

the urg-

and

### Agents Study Work of Local Boards

(CONTINUED FROM PAGE 6)

business unless they belong. All agents are "turned loose" on business that doesn't go through the board, which isn't a pleasant situation for that par-

isn't a pleasant situation for that particular official.

At Rockford, Ill., W. H. Jennings, Jr., said the local agent must sign an agreement to place all public business through the board before he can become a board member. Commissions on this business are divided equally among members, Richard Walker, Omaha, said his board successfully handled a large utility property through the board, and through real service beat out the mutuals on the line.

line.

Mr. Reynolds suggests that the best brains in the local association should be in charge of such public insurance work since it has so much public relations

#### Local Board Programs

October 16, 1941

H. T. Parrish of Tulsa, Okla., stated that the local board is more important, because closer and more useful, to the local agent than all the other associations put toether. Describing local board programs, he said Tulsa has a six man committee that reports, if necessary, at every weekly meeting on changes in rates, coverages, etc. A manual is assigned each member, and he is responsible for keeping board members up to date on it. The board furnishes members a mimeographed report on changes, which has proved particularly valuable to smaller agencies. Sydney Nelson, Racine, Wis., outlined what has proved a successful program of board activities there. He stressed promptness in starting and closing meetings, strong public relations

gram of board activities there. He stressed promptness in starting and closing meetings, strong public relations work helps hold the board together as well as impresses the public.

John Francis of the National Board outlined promotion on the fire ordinance, and Ray Moulton, captain of fire inspectors, Kansas City, Kan., strongly commended this program. Capt. Moulton, who made quite an impression, said firemen are very happy to work with agents or anyone else trying to conserve property and save lives, as the National Board ordinance will. He praised other phases of this organization's work. The adult mind can't be reached with fire prevention education, he said, hence the direction of it toward children, where it has cut losses in half. It can be cut in half again, he said.

H. P. North, assistant director of the Business Development Office, discussed B.D.O. programs within local boards.

#### GROUP 3

M. J. Hartson, Jr., New Orleans, presided at the local board conference for the large cities. Handling of public insurance occupied most of the time, with a heated discussion and some lively differences of opinion, but the members also discussed handling automobile finance business, the "in or out" rule and cooperation of local boards with civilian defense and with the National Board on its fire prevention ordinance.

civilian defense and with the National Board on its fire prevention ordinance. The plan recently put in force by the Kansas City board attracted much interest, Joseph Ashton of that city explaining it and being asked many questions. The two important points of the Kansas City plan are that stock companies are used exclusively and commissions are distributed to each agency according to the number of its producers. An important point in this connection was the possible liability of either the local board or the members of its committee for income tax on the commissions from this business. Mr. Ashton explained that the Kansas City Board does not receive the commissions. They go to the committee, which distributed to the committee to They go to the committee, which distributes them to the agents. In an effort to avoid income tax liability, this committee will ask each member to appoint them attorneys in fact to collect

this money for them. A. W. White, Seattle, said that his board was once sued by the state for retaining commissions and now gets rid of this money every year, remitting about half of each members dues and using the rest for charitable purposes. R. C. Fischer, Oakland, Cal., said that his board is a profit corporation and pays taxes.

It was felt by many that insurance placing of this type is necessarily tied up with the political cycle. Boards which have done this for a number of years, such as Dallas, have been in and out several times as administrations have changed. Kansas City succeeded in putting over its plan only when the city administration changed recently and so far has been unable to get anywhere with county and school business. Several boards reported success when a new city manager, who had dealt with insurance boards elsewhere, came to town.

#### Financed Automobiles

Financed Automobiles

W. H. Harmer, Seattle, told of the advertising which the King County Insurance Association has done, circularizing customers and urging them to finance cars through their agents. The board has an arrangement with local banks at very favorable interest rates and the banks will include insurance premiums in the monthly payments. They will even include liability premiums in the monthly payments. They will even include liability premiums in the balance is not too great.

In a discussion of counter moves by dealers, Alvin Hahn, Wingfield, La., told of the cheap accident insurance policies which some finance companies are offering. The companies will not write these contracts for their own agents and the group urged the executive committee to give this matter attention.

It was felt that the restrictions on installment sales and the cutting of automobile production will make a big hole in the income of finance companies and will probably make automobile dealers try harder than ever to write insurance.

Success at Miami

#### Success at Miami

The Miami board organized a finance The Miami board organized a finance company by borrowing \$10,000 from the board and selling \$10,000 in stock to members. Banks were willing to discount their paper. Eight hundred cars were financed last year and \$50,000 in premiums saved to agents. They will also finance auto premiums where desired

also hnance auto premiums where desired.

The in-and-out rule brought expressions from widespread sources. Local statutory conditions have an important bearing on the workability of the rule. In some states the rule can be applied much more rigidly than in others. It is regarded as increasingly important to make the rule apply to casualty as well as fire companies.

make the rule apply to casualty as well as fire companies.

J. M. Francis of the National Board spoke briefly on the desirability of the enactment of a uniform fire prevention ordinance. He said that the response of 119 local associations in participating to this end is most encouraging to the National Board. "Approximately 4,000 copies of the Suggested Fire Prevention Ordinance have been distributed on specific requests since the program was launched on July 9," Mr. Francis said. A list was given for distribution which showed the cooperation of state associations and the towns reached.

W. R. Joyner, manager purchasing department of London & Lancashire Indemnity, is confined to his home while a broken leg heals. He will be out for about another month. Mr. Joyner is president of the purchasing agents organization of the New England insurance companies. ance companies.

Walter S. Paine, who was reelected vice-president for industrial safety at the annual congress of the National Safety Council, is manager of the engineering and inspection division of Aetna Casultria

### Mutual Agents Map Program for **Annual Parley**

The program has been completed for the 10th annual convention at Pinehurst, N. C., Oct. 27-29, of the National Association of Mutual Insurance Agents. There will be a meeting of the directors Sunday, Oct. 26. The first business session will be held the next morning. Following the reports of officers, there will be a skit touching up the convention theme "More Money for the Mutual Agent." Then J. J. Beall, vice-president of Northwestern Mutual Fire, will give a talk "The Benefits of the Agency Business."

That afternoon there will be a golf tournament and in the evening there will be a get-together which is in charge of J. M. Zachary of Greensville, N. C.

The next morning F. C. Frampton.

charge of J. M. Zachary of Greensville, N. C.

The next morning, E. C. Frampton, agency supervisor of Lumbermen's Mutual of Mansfield, O., will talk on "More Money for the Mutual Agents by a Profitable Use of Time." Chase M. Smith, general counsel of Lumbermen's Mutual Casualty, will conduct a question and answer period. Gordon Davis of Chicago, manager of the loss research division American Mutual Alliance, will speak on "The Relationship of the Agent to Insurance Adjusting." Under the auspices of Central Manufacturers Mutual, S. C. Roper of that company will present a skit, "I Will Fail Agency vs. I Shall Succeed Agency."

Will Fail Agency vs. I Shall Succeed Agency."

The convention will then be divided into three groups for a panel discussion. That afternoon there will be clinics sponsored by the Southern 1752 Club. That evening the various state associations will have sessions.

The next morning Joseph P. Gibson, president of Excess Underwriters, will give a talk on "Broader Facilities for the Local Agents Through Excess Insurance."

Perry L. Rohrer, clinical psycholo-

the Local Agents Inrough Excess Insurance."

Perry L. Rohrer, clinical psychologist of Chicago, will give a talk on "The Psychological Difference Between Successful and Unsuccessful Insurance Salesmen." O. A. Kirkman, executive vice-president, Highpoint, Thomasville & Denton Railroad, will speak as a representative of the National Association of Manufacturers. Then there will be a sales demonstration conducted by Mr. Kirkman. At luncheon the speaker will be Dr. R. D. W. Conner, former United States archivist, on "History in the Making."

On the final day there will be a busi-

#### **Extends Greetings from** General Agents Body



GEORGE E. EDMONDSON, Tampa

#### Kansas Commissioner Gives Message



CHARLES F. HOBBS, Topeka

ness meeting and then a banquet and floor show. Floyd H. Craft of Greensboro, N. C., is general chairman of the convention committee. C. M. Westbrook of Charlotte, is president of the association. Philip L. Baldwin of Washington, D. C., is secretary.

#### Coffay with Am. Auto

John R. Coffay, Jr., has been appointed underwriting manager of the New York office of American Automobile. He had been connected with Maryland Casualty since 1925, first at the home office and for the past five years at New York.

#### Property Floater in Maryland

Any objections to the approval by the Maryland department of the personal property floater must be filed with Commissioner Gontrum before Nov. 1.

#### Renew with War Department

The contract of the War Department with the National Board for the past 13 months has been renewed for another year. The arrangement provides for technical service covering fire protection engineering and water distribution systems in connection with national defense projects. While the service of the board engineers are contributed, their traveling expenses are paid by the government.

#### Railway Losses Low in '40

totaled \$3,577,764, according to the Association of American Railways. The figure is less than in any previous year since 1919, save only in 1935. The most numerous known cause of fires was trespassers upon the roads, with carelessly thrown cigars, cigarettes and matches a close second.

#### Another Big K. C. Storm Loss

Another Big K. C. Storm Loss

KANSAS CITY—Although adjusters say it is "only a guess" on losses from the tornado and rainstorm at Kansas City Oct. 6, estimates have been made of insurance losses from \$150,000 to \$200,000. More than 300 dwellings were badly damage, including several of \$5,000-\$10,000 value, perhaps a score or more demolished, by the tornado which struck the eastern edge of the city and the interurban district. Some 50 business buildings and plants were hit in the Blue Valley and Sugar Creek industrial districts, and in a suburban community.

Many claims include damage from wated admitted through storm-caused openings. Claims are also being filed for water damage outside the tornado-hit area, consequent on damage from the previous storm of Aug. 25 and not discovered until the downpounr of Oct. 6.

### Mutual Companies' Program Announced for Nov. 3-6 Rally

The elaborate program for the annual meeting of the National Association of Mutual Insurance Companies in Los Angeles, Nov. 3-6 was announced this week. This meeting will be held in conjunction with the annual meeting of the Federation of Mutual Fire Insurance Companies, and also the Advertising-Sales Conference, The theme will be contribution of mutual insurance to the economic progress and stability of economic progress and stability of American business. A reinsurance breakfast will start off

American business.

A reinsurance breakfast will start off the week Nov. 3, followed by an automotive and casualty group meeting with Eugene L. Hensel, presiding. He is counsel Farm Bureau Mutual Automobile, Columbus. R. C. Mead, actuary State Farm Mutual Automobile, Bloomington, Ill., will be one of the speakers. The city and town group also will meet Monday with D. A. Tripp, assistant secretary Illinois Mutual Fire, Belvidere, Ill., as chairman, and also the windstorm group, with W. H. Conklin, secretary Rockford, Ill., in the chair. There will be a general meeting in the afternoon with F. C. Cromer, presiding.

Activities Arranged for Nov. 4

#### Activities Arranged for Nov. 4

Activities Arranged for Nov. 4

Tuesday morning there will be past presidents' and state association officials' breakfasts, followed by a general meeting, in which the principal speakers will be A. V. Gruhn, general manager American Mutual Alliance, Chicago, on the convention theme; J. H. R. Timanus, secretary Philadelphia Contributionship, on "One Hundred and Eighty-nine Years of Mutual Insurance," and Dr. Joy L. Leonard, department of economics University of Southern California, Los Angeles. At the same time a joint meeting will be held of the federation and ad-sales conference.

In the automotive and casualty group meeting the principal speakers will be Eugene P. Fay, chief assistant commissioner of California, who will present the public's viewpoint on automotive and casualty companies; Joseph L. Fainer, Los Angeles attorney, on the accident victim's views, and Lasher B. Gallagher, Los Angeles attorney, the defense attorney's comments.

#### Other Groups' Programs

Other Groups' Programs

L. M. Waugaman, secretary Oregon Mutual Fire, McMinnville, Ore., will speak on sound underwriting practices before the city and town group and H. L. Hjermstad, president Citizens Fund Mutual Fire, Red Wing, Minn., on office problems and routines. The farm group also will hold a meeting Tuesday afternoon with W. L. Shattuck, secretary Bingham County Farmers Mutual, Idaho Falls, Ida., presiding, as will the hail group with Frank R. Baker, in the chair, and principal speakers, Paul I. Rutledge, secretary Farmers Mutual Hail, Columbia, Mo., on the probable future of hail insurance, and Maurice C. Douglas, principal field officer Department of Agriculture, in charge of crop insurance in Indiana, on government activities in the crop insurance field.

insurance in Indiana, on government activities in the crop insurance field.

Wednesday there will be two breakfasts followed by a general meeting with President Fred C. Cromer presiding. Speakers will be Raymond Reeves, regional business consultant U. S. Department of Commerce, Washington, who will discuss the present status of interstate trade barriers; J. K. Baillie, financial editor Los Angeles "Evening Herald-Express," and Commissioner Hobbs of Kansas, president National Association of Insurance Commissioners, on what the public expects of fire and casualty insurance companies.

Federal Economist Speaks

#### Federal Economist Speaks

The automotive and casualty group will meet again Wednesday, the city and town group and also the farm group, with V. N. Valgren, principal agricultural economist Farm Credit Adminis-

### A · DIRECTORY · OF RESPONSIBLE =

### INDEPENDENT ADJUSTERS ·

#### DIST. OF COLUMBIA

#### NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lineo-Representing Companies only Established 1821—Twenty-four heur Servise Washington, D. C., Wedward Bide, Phone Met, 0316 Richmond, Va., Mutual Bide. Phone 1013 -8359 Baito., Md., Mercantile Tr. Bidg. Phone Lex. 6220 Hagersteven, Md., Warcham Bidg. Phone Win. 3838 Winthester, Va., Massnic Bidg. Phone Win. 3838

#### ILLINOIS

#### **ELBERT S. GARD** COMPANY

Adjusters Company Claims Since 1928 175 W. Jackson Blvd. WABash 8830 CHICAGO

### JAMES J. HERMANN COMPANY

ADJUSTERS

INSURANCE EXCHANGE BUILDING

CHICAGO

## WILSON S. LEVENS

ADJUSTERS - ALL LINES Insurance Exchange Bldg. Chicago

### THOMAS T. NORTH ADJUSTMENT COMPANY

Adjusters
Ali Lines
Insurance Exchange Building,
175 W. Jackson Blvd.
Chicago

ESTABLISHED 1919

### JOSEPH RICE AND COMPANY

ADJUSTERS-ALL LINES

INSURANCE EXCHANGE BUILDING CHICAGO

Established 1899

#### WHITNEY & MILLER **ADJUSTMENTS**

175 W. Jackson Blvd.

#### **PEORIA** Angus B. Ferdinand

1046 Jefferson Building Established 1923 Licensed and Bonded SECRET SERVICE DEPT.

#### INDIANA

#### CENTRAL ADJUSTING CO.

Consolidated Bldg., Indianapolis, Ind.
BRANCH OFFICES:
EVANSVILLE HAMMOND
414 Old Nat'l Bank 407 Lloyd Bldg. HAMMOND 407 Lloyd Bldg 80UTH BEND 711 Odd Fellows Bidg.

FORT WAYNE 835 Lincoln Tower

MUNCIE
304 Western Reserve
All Lines. Specializing
Marine at TERRE HAUTE 6 Ball Building in Automobile, Inland ad Fire.

#### INDIANA ADJUSTMENT COMPANY

INDIANAPOLIS
AUTOMOBILE & CASUALTY
Resident adjusters at Evansville, Fort
Wayne, Indianapolis, Richmond, South Bend,
Terre Haute and Louisville, Ky.

**Eugene McIntyre** Adjustment Co., Inc. lines of Automobile, Casualty and Inland Marine Eight East Market Street INDIANAPOLIS

### Branch Offices: Muncie, Ind., Terre Haute, Ind.

#### J. L. VALENTINE

309 Pennway Bldg. Lincoln 3110

Adjuster-All Lines Indianapolis, Ind.

#### ND. M

#### NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Representing Companies only Established 1921—Twenty-four hour Service Balto, Md., Mercartile Tr. Bidg., Phone Lex. 6220 Hagorstown, Md., Wareham Bidg., Phone Hag. 798 Washington, D. C., Woodward Bidg., Phone Min. 3838 Richmond, Va., Mutual Bidg., Phone Win. 3838 Winchester, Va., Masonie Bidg., Phone Win. 3838

#### MICHIGAN

#### WAGNER & GLIDDEN, INC. TOPLIS & HARDING, INC.

INSURANCE ADJUSTMENTS
ALL LINES

Seattle

#### NEBRASKA

# JUDD W. CROCKER CLAIM DEPARTMENT, INC. INSURANCE ADJUSTERS City National Bank Building Phane Jaktson 6384 Omaha, Nobraska BRANCHES AT Des Maines de

Dos Moines, Iowa Sloux City, Iowa Iowa City, Iowa Chayenne, Wyoming

#### R. T. GUSTAFSON COMPANY

Insurance Adjusters — Serving Nobraska and Iowa. CASUALTY — ALL CLASSES: Auto. Liability. Compensation. Burg., Héa. P. G., Bonds, etc. AUTO FIRE, Thet. Property Damage, Collision, etc. OMAHA, NEBRASKA 240 Keeline Bids. Res. Kenweed 7411 24 years experience investigations and adjusting.

#### OHIO

#### JOHN H. McNEAL & HARLEY J. McNEAL

1967 E. 6th St. 502 Auditorium Bids.
Telephone Main 1926
CLEVELAND, OHIO
INVESTIGATIONS AND ADJUSTMENTS IN ALL
LINES OF INSURANCE

Representing Many Companies—20 Yrs. Experience Service Throughout Northern Ohio

#### PENNSYLVANIA

#### THE CURLEY ADJUSTMENT BUREAU

Complete Claim Facilisies for Pennsylvania, Northern Maryland and Southern Jersey ALL EMPLOYES ADEQUATELY BONDED Main Office: 500 WALBUT ST., PHILADELPHIA Atlantic City—3700 Atlantic Avone; Chambersburg— 167 Lincoln Way East; Erle—Masonis Bidg.; Harris-burg—22 S. 3rd St.; Pithburgh—104 Investment Bids.; Reading—Ganster Bids.; Williamsport—120 West 4th Street.

#### VIRGINIA

#### NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Regresenting Companies only Established 1921—Twenty-four bear Servies Richmend, Va., Mutual Bilds. Phone Dial 3-8359 Winchester, Va., Masonic Bilds. Phone Win, 3858 Washington, D. C., Woodward Bilds. Phone Med. 0316 Balto., Md., Marcantile Tr. Bids. Phone Med. 0316 Hagerstown, Md., Wareham Bids. Phone Hag. 786

#### WEST VIRGINIA

#### JOHN C. WYCKOFF CO.

Insurance Adjustments

Main Office Fairmont, W. Va.

BLUEFIELD, W. VA.
Peery Building

CLARRSBURG, W. VA.
429-430 Smpire Netl.
Bunk Bidg.

CHAPLESTON, W. VA.
Capitol City Building
PARKERSBURG, W. VA.
Union Trust Building

#### MISSOURI

#### THOS. R. TADLOCK

Insurance Adjuster For companies only All lines-20 years experience 916 Walnut St. Bldg., Kansas City, Mo.

#### WISCONSIN

#### Nurnberg Adjustment Co. GENERAL ADJUSTERS

Windstorm, Hail, Automobile, Casu Inland Marine and Aircraft (Licensed Pilot in our Employ) Underwriters Exchange Bidg. MILWAUKEE

828 N. Breadway Phone: Daly 6935 Branch Offices: Antige and Madison

tration, Washinton, on the place of the of late in manufacturing industries, espesafety fund in farm mutual service. The cially those engaged in war defense convention will close with another gen work. eral session Thursday

#### N. Y. Examiners Hear Gaines

Robert P. Gaines, chairman of the fire Robert P. Gaines, chairman of the fire prevention committee of the Hudson County (N. J.) Safety Council and chemical consultant to the fire department of northern New Jersey, was guest speaker at the initial fall meeting of the Fire Insurance Examiners' Association of New York. He pointed out special fire hazards that have developed

A new feature introduced at the gathering was the awarding of a door prize, the winner being privileged to select any one of a list of text books on insurance. Several members have been called to military service, and their membership will be continued and dues fully paid until a very after their return to civilion.

reau honored Edward Miazza with a luncheon Oct. 1, his first anniversary as manager of the New Orleans office.

A daughter weighing 9 pounds, 3 ounces was born Monday to Charles Buresh, Jr., of Fred S. James & Co., Chicago, and Mrs. Buresh. The grandparents are both executives of Fred S. James & Co.—Charles Buresh, Sr., and Elmer J. Schafer, whose daughter is Mrs. Mimi Buresh.

Vigilant of New York has been li-

Iowa,

NEAL

ALL

U

lty.

th a

and-d S.

and r is

1 1i-

### INSURANCE NEWS BY SECTIONS

### MIDDLE WESTERN STATES

### **Expect Largest** Ohio Convention

COLUMBUS—Virgil G. Martin, executive secretary Ohio Association of Insurance Agents, reports that advance registration indicates that its annual meeting in Toledo Oct. 20-22 will be the largest in its history. Defense activities, in which insurance will have a part, will make the program one of extreme interest.

A golf tournament will be held at the

extreme interest.

A golf tournament will be held at the Inverness Country Club Oct. 20, with bridge for those who do not play golf. In the evening the trustees will hold their annual meeting. Golf players will bridge players will have a buffet supper at 7 at which prizes will be awarded.

At the opening session the

awarded.

At the opening session the morning of Oct. 21 Mayor Carey will give a welcome for the city and Glenn L. Fitkin, president Toledo Association of Insurance Agents, for the agents, with response by E. B. Berkeley, president Insurance Board of Cleveland and a state trustee. President Paul W. Kridler of Fremont will give his annual address and L. U. Jeffries, warden of the Ohio department, will conduct a departmental conference hour, in which representatives of the insurance department will answer questions presented ment will answer questions presented by members of the association.

#### Lloyd Speaks at Luncheon

President Kridler will preside at the luncheon and Superintendent Lloyd will speak.

In the afternoon, E. L. Stephenson of Chicago, manager of Associated Aviation Underwriters, will speak on aviation insurance, followed by a question period. Following a rural agents' conference, under the direction of Max M. Fulks of Chillicothe, chairman rural agents committee, a rural agents' skit will be presented under the direction of the Ohio Stock Fire Insurance Speakers Association. Taking part will be E. C. Knoop, Jr., Columbus, Home, as a special agent; J. E. Best, Columbus, Ohio Farmers, as a local agent; B. S. Curran, Columbus, Continental, farmer; Mrs. Ethel Richardson, Columbus, Ohio Farmers, farmer's wife, and C. D. Sokol, Columbus, Aetna Fire, farmer's son. A question period will follow. President Kridler will preside at the banquet. Speakers will be George E. Allen, vice-president Home, and Milo J. Warner. past commander of the American Legion.

#### Question and Answer Forum

At the session Wednesday morning, committees will report and officers will be elected. James C. O'Connor, editor F. C. & S. Bulletins, will act as moderator at a question and answer forum. The consultants will be: Fire, John L. Meyer, Hartford Fire; casualty, E. W. Sawyer of the Association of Casualty & Surety Executives; accident and health, J. M. Smith, vice-president Continental Casualty; surety, E. F. Foster, assistant secretary Fidelity & Deposit, and inland marine, J. R. Rodgers of Chubb & Son, New York.

Following a luncheon there will be entertainment and installation of officers. At the session Wednesday morning,

men and committee chairmen by President L. D. Engberg. Committee chairmen are: Finance, L. E. Hatlestad, Minneapolis; legislative and conference, Armand W. Harris, St. Paul; fire and accident prevention, Harry E. Reynolds, Delutic arthur articles. accident prevention, Harry E. Reynolds, Duluth; public relations and convention program, R. A. Thompson, Minneapolis; education, Howard Williams, Mankato; rural agents, Guy E. Rolien, Milaca; public insurance, George Nelson, Minneapolis; regional activities, Howard Williams, Mankato, Chairman of the membership committee is yet to be named

named.
District chairmen: Frank J. Steiner, Blue Earth; Marvin Larson, Bemidji; H. C. Strander, Crookston; Gilbert Buffington, Duluth; N. M. Steiner, Fergus Falls; George A. Thompson, Minneapolis; George W. Odell, Willmar; Theodore H. Furth, New Ulm; L. H. Bakken, Cloquet; William Knudsen, Hibbing; W. G. Lundquist, Little Falls; Leo A. Ritt, St. Paul; J. W. Roche, Robbinsdale; H. G. Knopp, Rochester; Bradford Strom, Jackson.
These leaders are planning vigorous regional activities.

regional activities.

#### Complications on Effective Date of Michigan Bills

LANSING, MICH.—Michigan's legislature, composing differences between the Democratic governor and the Republican majority in the assembly, has finally adjourned, thus setting a definite effective date for the bulk of the acts passed during the active session but suspended when the legislature record for

pended when the legislature recessed for 90 days instead of adjourning. Immediate effect clauses were at-tached to a number of bills when the legislature reconvened during the past week. Whether such action can be taken legally by resolution after an act has already been approved and printed is questionable and it appears probable that litigation will develop to test that

point.
Insurance measures so affected cover: to policies insuring against direct loss or damage to real or personal property; licensing of carriers whose corporate powers exceed those permitted Michigan insurers; and. \$225,000 minimum capi-talization for life and accident companies.

#### Illinois Mutual Fire Companies Hold Parley

The annual meeting of the Illinois Association of Mutual Insurance Companies was held in Alton with delegates present from 200 of the member companies. H. P. Hostetter of Mount Carroll, Ill., whose term as secretary was expiring, was reelected. The terms of all of the other officers have a year to run. H. F. Hoferkamp of Mattoon is president.

Meyer, Hartford Fire; casualty, E. W. Sawyer of the Association of Casualty & Surety Executives; accident and health, J. M. Smith, vice-president Continental Casualty; surety, E. F. Foster, assistant secretary Fidelity & Deposit, and inland marine, J. R. Rodgers of Chubb & Son, New York.
Following a luncheon there will be entertainment and installation of officers.

Minnesotα Committee αnd
District Chairmen Named

MINNEAPOLIS—Organizational and educational activities of the Minnesota Association of Insurance Agents will swing into action immediately following the appointment of district chair-

Louis, spoke on "Mortgage Clause;" Glenna Watkins, secretary general

Louis, spoke on "Mortgage Clause;" Glenna Watkins, secretary general committee of National association on youth fire prevention activities, Indianapolis, "Interesting Our Youth in Fire Prevention Work."

State Fire Marshal Craig of Illinois stated that the mobile crime laboratory now under construction by the Illinois state police is expected to result in a greater number of arson convictions. The fingerprinting equipment and other scientific apparatus will be used in gathering evidence at the scene of the suspected incendiary fires. He said that the fire marshal's department is supported by a special tax on insurance companies and he intends for them to receive a "handsome return on their investment." He said it is easier to commit the crime of arson than any other crime on the statutes. The perpetrator may be miles from the scene of the crime before a delayed ignition device starts the blaze. The motives are numerous and often more complicated than for any other criminal act.

Ben C. Vine, assistant secretary of Millers Mutual Fire of Alton, was chairman of the convention committee and G. A. McKinney, executive vice-president of Millers Mutual, gave the welcoming message.

welcoming message.

#### Name Defense Advisory Committee

ST. LOUIS.—H. D. McBride, director of public safety, head of the civilian defense program here, has appointed a 16-man advisory committee to perfect the fire fighting protection against sabotage, etc. The group is to collect data on the city's fire fighting facilities, make recommendations for their improvement and extension, and also lay the groundwork for the organization of a volunteer fire fighting system of about a volunteer fire fighting system of about

Among the members of the committee are John J. O'Toole, secretary of F. D. Hirschberg & Co. and president Insurance Board of St. Louis; Paul W. Terry, manager Missouri Inspection Bureau; W. B. Larkin, also of the Missouri Inspection Bureau, and Arthur Jordon of Louise Burnes, Republic Lawton, Byrne & Bruner.

#### Lincoln Insurance Women Elect

LINCOLN, NEB.—The Insurance Women of Lincoln held their first anniversary dinner Oct. 9, with Richard Ferguson, deputy state fire marshal, speaking on fire prevention work. A fire insurance skit was staged by Russell Johnson, New York Underwriters, Omaha; T. W. Caldwell, Home, Omaha, and Clarence Nelson, First Trust Company, Lincoln.

and Clarence Nelson, First Trust Company, Lincoln.
Newly-elected officers are: President,
Helen Ledwich, Ivan Devoe agency;
vice-president, Augusta Beagl, A. W.
Miller agency; treasurer, Vivien Rouse,
Chambers-Dobson agency; secretary,
Nelsine Shafer, O. M. Sutherland &
Sons

#### All Companies Report in Michigan

LANSING, MICH.—Insurance department officials report that fire companies have complied fully with the order to have special experience reports on file with the commissioner before the hearing Oct. 27 on dwelling rates charged in the various protected classifications in the commissioner before the footbase in the second protected classifications are second protected protecte

L. H. Moore, chief fire rating division, said the 367 companies licensed to write fire risks all have made some form of

#### Discuss Auto Financing

CLEVELAND—J. F. Coulston, manager personal loan department Society for Savings Bank, addressed the Insurance Board of Cleveland on the "Future of Insurance on Financed Automobiles." He discussed the effect of the new federal regulations relating to installment

#### Protect Business of Service Men; Martin Reelected

MILWAUKEE - Solicitors of the Milwaukee Board who are in active service of the armed forces of the United

States, and who have placed their business in the hands of their sponsoring local agents, will have their dues

waived.
This action taken at the October meeting of the board at which officers and directors were elected. Ralph L. Martin was relected president: elected president; Thayer Clayron of George H. Russell



George H. Russell
Co., vice-president; J. G. Grundle, secretary, and W. F. Koch, Dick & Reutemann Co., treasurer. New directors elected to three-year terms were John L. Loos, West Allis; Louis Hilgemann, Leedom, O'Connor & Noyes, and Clarence Derksen, Zingen & Braun.

buying, with particular reference to automobiles.

On Oct. 16 a joint meeting will be held with the Cleveland Association of Credit Men with T. Alfred Fleming, National Board, speaking on "The Credit Department for Combating Sabotage."

#### Settle Des Moines School Dispute

The dispute concerning the handling of school board insurance in Des Moines has now been settled, apparently to the satisfaction of all concerned. Impelled by a petition that was signed by 31 local agents, the school board added one new agents, the school board added one new member to its engineering committee and three new members to its distribution committee. These groups are responsible for the allocation of school insurance among local agents.

Nelse Hansen was added to the engineering committee which now has four members. The new members of the distribution committee are Kenneth M. May. Thomas B. Moore, Jr., and Mr. Hansen.

About 18 local agents attended the school board meeting and they expressed satisfaction with the compromise settlement.

The school board has about \$1,800,000 fire and wind business expiring in November. The business is divided three ways with one-third expiring each year.

#### Start Indiana Examinations

INDIANAPOLIS - Commissioner Viehmann has announced that his department will start holding examinations for applicants for agents' licenses immediately. Examinations for Indianapetral olis agents will be held each week until

Nov. 6.
Examinations will be held Oct. 15Nov. 7 in East Chicago, Evansville,
South Bend, New Albany, Lafayette,
Terre Haute, Kokomo, Bloomington,
Lagrange, Vincennes, Winamac, Paoli,
Muncie, Rushville, Fort Wayne and
Madison. Agents who already hold
licenses will not be required to take the
evaminations.

#### Cleveland Classes Under Way

CLEVELAND — The insurance courses sponsored by the department of education of the Insurance Board of Cleveland are now under way and definite class hours have been established. The fire and casualty classes meet at the board rooms Monday evenings at 5:30 p. m. The surety and inland marine

Classes meet at 6:30 p. m.

A salesmanship course will be given on Monday evenings at 5:15 p. m. Rejistration has been heavy. The first meeting of this class will take place Oct. 27.

#### Blume to Fred L. Gray Co.

MINNEAPOLIS—Ernest Blume, for 11 years with the Minneapolis office of the Fire Underwriters Inspection Bureau and more recently with the Mill Mutuals, has joined the Fred L. Gray Co. as field supervisor in the fire department. He is an experienced rating encircus.

#### Laidlaw Heads Minn. Mutuals

Laidlaw Heads Minn. Mutuals

MINNEAPOLIS — At its annual meeting here the Minnesota Association of Mutual Insurance Companies elected these officers: President, C. S. Laidlaw, Minnesota Farmers Mutual; vice-president, Hjalmar L. Hjermstad, Citizens Fund, Red Wing; secretary-treasurer, A. J. Dahlstrom, Minneapolis; directors, in addition to the officers, J. E. Kidd, Minnesota Implement Dealers, Owatonna; D. F. Raihle, Hardware Mutual, Minneapolis; S. T. Sager, Austin Mutual, Minneapolis.

#### Oil and Lumber Fire at Lansing

LANSING, MICH.—Fire caused \$30,000 to \$50,000 damage to properties of the Lyons Oil Company and the Duncan Lumber Company. The Gibraltar and Queen were reported to have shared the lumber loss, the coverage being written on a reporting form. The oil company had \$8,000 fire coverage and \$2,100 rental insurance, placed with Employers Fire.

#### Peoria Agents Inspect Schools

Eight members of the Peoria (III.) Association of Insurance Agents accompanied that number of firemen on inspection trips to the 36 schools in Peoria as a part of Fire Prevention Week activities. The group included F. H. Hawk, president of the association; L. L. Houser, C. A. Iliff, W. P. Brown, C. C. Adams, W. E. Peters, Sage Kinnie and W. A. Wittick.

#### Delinquent's License Revoked

COLUMBUS—Ohio's new law, providing for revocation of licenses of companies and agents that fail to pay their accounts to the state insurance department within the time limit, was invoked this week for the first time since it went into effect June 30. The licensee was Frank L. Morgan of Dayton. He failed to appear for hearing, and his license was revoked. revoked.

#### Plan Defense Plant Protection

MILWAUKEE—R. E. Vernor, Western Actuarial Bureau, Chicago, will address a meeting being arranged for Oct. 27 at Pythian Castle Hall, at which a fire fighting program to be established in plants working on national defense orders will be discussed. Representatives of all such plants will be invited by the Milwaukee County Fire Chiefs

Association, sponsor. A questionnaire is being prepared to obtain information helpful in establishing fire prevention systems in industrial plants.

#### May Use Tax to Buy Equipment

ST. PAUL—Proceeds of the fire department premium tax may be used to purchase fire department equipment, the Minnesota attorney-general's office has ruled. This legalizes a practice which has ruled. This legalizes a practice which has been carried on in a number of Minnesota communities against the wishes of fire department relief associations, whose members feel such funds belong to them. An effort has been made to get legislation prohibiting the use of the premium tax fund for purchasing equipment but it has not exceeded. ment but it has not succeeded.

#### New Roof Ordinance Sought

FOND DU LAC, WIS.—Fire Chief Smithers has submitted to the city clerk Smithers has submitted to the city clerk for consideration by the council a proposed ordinance which would require that all buildings have certain types of roof covering having equivalent fire-resistive properties when approved and listed by Underwriters Laboratories as Classes A, B or C; that tops of dormer windows be covered with similar materials; and that no new roofs be covered with wood shingles, although existing wood shingle roofs may be repaired up to 25 percent of the surface during any five-year period. five-year period.

#### Bennett to Speak in St. Louis

ST. LOUIS-Walter H. Bennett, general counsel, National Association of Insurance Agents, will speak at a lunch-eon meeting of local insurance interests

Oct. 21.

Mr. Bennett will come here direct from the annual meeting of the National association in Kansas City.

#### O. D. Olson Elected President

FERGUS FALLS—The Park Regional Agents Association of Minnesota has elected Orie D. Olson, Alexandria, president; Nordahl Steen, Fergus Falls, vice-president; Clarence Jesten, Moorhead, secretary-treasurer; George R. Teeson, chairman program committee. The next meeting will be here Dec. 9.

#### Lincoln Agency Is Sold

The Ball agency, Lincoln, Neb., has been sold to Commonwealth Co. there. Harry R. Ball will go with the purchasing company to manage the insurance

#### Fulks for Central Ohio Trustee

Max M. Fulks of Chillicothe has been nominated for central Ohio trustee of the Ohio Association of Insurance

#### Start St. Louis Evening Classes

ST. LOUIS.—The Insurance Institute of Missouri will commence its evening classes Oct. 20. They will include

general principles of insurance and suretyship, casualty Part II and III, fire insurance Part II and III and inland marine. Instructors will be J. F. An-derson, S. L. Bodman, L. G. Davis, F. D. Eubank, J. T. V. Keller and E. M. Mansfield.

#### NEWS BRIEFS

The Insurance Women's Club of Detroit held a dinner and autumn style show and also was entertained by the showing of Mexican camera studies by Melvin F. Lanphar, president the Lanphar agency. The club now has a membership of 125 and the monthly meetings are usually attended by about 100.

At the instance of Guy M. Cox of Iron River, who is president of the Michigan Association of Insurance Agents, the Iron River Business Men's Association will ask city officials to enact the fire prevention ordinance that is being advocated by the National Board. The

action was taken at a meeting of the association that was addressed by Mr. Cox.

Retrospective rating was explained to the Insurance Club of Minneapolis at its first fall meeting Oct. 13 by J. F. Reynolds, general manager Minnesota Compensating Rating Bureau.

The Western Mutual Fire of Des Moines held its fall party there with some 600 agents and guests attending.

James E. Hoff, president of T. E. Brennan Co., adjusters, spoke on "Current Insurance Problems and Trends," before the Milwaukee Society of Accountants.

G. P. Hogle, formerly a credit man-ager with the Universal, has joined the Springfield, O., office of Western Ad-

Charles M. Carpenter, formerly with charles M. Carpenter, formerly with the Blosser & Hill agency, Toledo, has joined with T. Kenneth Boyd to form the **Boyd & Carpenter** agency, 312 Mich-igan street, Toledo. Mr. Boyd was with



### UNITED STATES CASUALTY COMPANY

46 Years of Conscientious Co-operation with Agents Nation-wide

HOME OFFICE: 60 John Street, New York



**INCORPORATED 1794** 

# UNSURAMCE!

308 WALNUT STREET, PHILADELPHIA

FIRE

AUTOMOBILE

LIGHTNING

WINDSTORM

USE AND OCCUPANCY

INLAND TRANSPORTATION

TOURIST BAGGAGE

RENT INSURANCE

PARCEL POST

the as-

ned to olis at J. F.

nesota

Des f with

T. E. "Cur-ends," of Ac-

man-ed the

n Ad-

with

o, has form

Mich-

Boyd & Halstead until the retirement of John Halstead.

Dr. Forrest Whan of Wichita University was the speaker at a dinner meeting of the Insurance Women of Wichita.

H. S. Bowen, Norwalk, O., discussed "Concurrent Insurance Advertising" before the Lucas County Insurance Board in Toledo.

Walter G. Senn and Carl F. Warnke, surviving partner of the late George W. Senn, founder of the George W. Senn agency, Toledo, O., will continue the business under the same name.

About 100 attended the agency con-

ference of the Citizens Fund Mutual, Red Wing, Minn. Speakers included Commissioner Johnson; Clyde B. Helm, secretary Insurance Federation of Min-nesota; and H. L. Hjermstad, president Citizens Fund.

Daniel & Henry Company agency, Pierce building, St. Louis, is celebrating its 20th anniversary. It is general agent of Bankers Indemnity, New Amsterdam Casualty, Seaboard Surety and Yorkshire Indemnity, and also represents a number of fire and marine companies. companies.

Paul Diehm of Barberton, 0., has taken over the insurance agency of his father, W. E. Diehm, who died recently.

### **OBSERVATIONS**



"Let our object be our country, our whole country, and nothing but our country." -DANIEL WEBSTER.

## IN THE SOUTHERN STATES

## Southeastern States president, will preside at the Staunton and Warrenton meetings. Caleb West, Newport News, vice-president and board chairman, will preside at Wytheville. Swept by Storm

ATLANTA—The hurricane which roared out of the tropical Atlantic swept across extreme southern Florida into the Gulf of Mexico, then veered north to sweep over western Florida, southeastern Alabama and into Georgia, definitely veered eastward, blowing out to the Georgia coast on the Atlantic. Adjusters were rushed to many localities in all three states, and a large number of small losses were being reported tiees in all three states, and a large number of small losses were being reported from Georgia towns, with heavier ones from Florida points. The Fire Companies Adjustment Bureau's southeastern department loaned five men to work on the 2,500 claims in the Houston area as the result of the hurricane there 10 days ago, so additional man power for the southeastern adjustments may be necessary.

sary.

Tallahassee, Fla., took a hard blow, with more damage than the city has suffered from wind in a long time. Power and light lines were crippled, and many operations were carried out under difficulties or suspended entirely.

### Damage in Georgia

Damage in Georgia

In Georgia the wind did damage at Cairo, Bainbridge, Thomasville, Albany and other points in the southwestern corner of the state. From a point north of Albany the storm turned slightly northeastward and hit Codele, Pelham, Alma and other points just south of the middle reaches of Georgia. After passing north of Albany it seemed to have a direction that would carry into Columbus and the huge army reservation, Fort Benning. But it turned east, and reports of damage almost to the Atlantic were filtering into Atlanta insurance headquarters right along.

It was estimated that the damage at Cairo, Ga., was more than \$75,000. At Pelham, Ga., the mayor said the damage might reach \$50,000. The prospect of a large pecan crop in southern Georgia went glimmering, if reports of from 50 to 80 percent damage to groves are proved correct. Heavy rain accompanied the storm all along the route, entailing much water damage.

Nashville School Planned

NASHVILLE, TENN.—Encouraged by a very successful school last year in which 69 were enrolled with 45 graduating, the Nashville Association of Insurance Women will begin a six mode.

### Virginia Agents Schedule Three Regional Meetings

RICHMOND—Three regional meetings are planned by the Virginia Association of Insurance Agents, at Wytheville, Oct. 29, Staunton Nov. 5, and Warrenton Nov. 16. Additional meetings will be held during the winter. Speakers listed for the three meetings are E. H. Lucke, field supervisor Fidelity & Casualty; Sidney Clark, Richmond, regional manager Royal-Liverpool; H. P. North, Business Development Office, New York, and Edward Marshall, state agent National Surety, Greensboro, N. C. Panel discussions along lines suggested by the B. D. O. will be a feature of these meetings.

E. T. DeJarnette, Richmond, state

### Georgia at Last Gives O. K. to HOLC Contract

Ending a lengthy dispute, Commissioner Parker of Georgia has now approved the amended contract between the Stock Company Association and the Home Owners Loan Corporation. He Home Owners Loan Corporation. He had received an opinion from the attorney-general to the effect that the agreement on its face does not violate the insurance laws. However, the attorney-general states that it may be that the operations under the agreement will show that the compensation paid to the HOLC by SCA, the services rendered, the relationship of compensation and services to the premiums and coverage go beyond the scope of their apparent purpose as set out in the supplemental agreement. This can be determined only after operations under the agreement have been traced.

### School Insurance Issue in Court

School Insurance Issue in Court

NEW ORLEANS—The suit brought
by A. G. Davis, a resident of Jefferson
parish, seeking an injunction to prevent
cancellation of \$1,200,000 fire and extended coverage by the parish school
board, was heard in Judge Rivarde's
court at Gretna. Policies written by 12
agencies were ordered cancelled by the
board and the entire line placed with the
Montaldo Insurance Agency.

Mr. Davis alleged that the action of
the board would involve additional and
unnecessary cost to the taxpayers. The
defense contended that the board's action was in conformity with suggestions
from the state department of education
after it had made a survey of the schools
of the parish. The case was taken un-

Nashville School Planned

NASHVILLE, TENN.—Encouraged by a very successful school last year in which 69 were enrolled with 45 graduating, the Nashville Association of Insurance Women will begin a six weeks course early in November on workman's compensation insurance. All stock company fire and casualty agents, women and men, are eligible to attend. After Christmas a second six-week term will be conducted on public liability insurance.

### Jackson Exchange Elects

JACKSON, TENN.—The Jackson Insurance Exchange has elected J. S. Gest to succeed Winfield Pope as president. Other officers are: Vice-president, J. L. Harris; secretary-treasurer, Wesley Jones. New officers will be installed at luncheon.

### Crum & Forster Men Entertain

J. H. Hines of Hines Brothers, Atlanta, southern manager of Crum & Forster, and W. H. Cullen, Jr., special

Due to the emergency facing our country today, straight thinking Americans are becoming increasingly conscious of the need of proper defense.

Fire insurance agents should play an important part. Advocating adequate fire insurance protection for vital indus-

tries, their efforts are helping to prevent loss of valuable time -as well as money spent for replacements which are steadily rising in cost and becoming more and more difficult to obtain.

The New Hampshire and the Granite State Fire Insurance Companies are backing this program by cooperating with agents to the full extent of their vast facilities-enabling them to offer the most modern and efficient service.

NEW HAMPSHIRE FIRE INSURANCE CO. Manchester, N. H. ORGANIZED 1869 GRANITE STATE FIRE INSURANCE CO. Portsmouth, N. H. ORGANIZED 1885



Incorporated 1799

# PROVIDENCE WASHINGTON INSURANCE CO.

Incorporated 1928

## ANCHOR INSURANCE COMPANY

The founders of the Providence Washington Insurance Company inaugurated the American agency system by the appointment of agents in New London, Connecticut, in 1803.

This Company and its affiliate the Anchor Insurance Company have consistently relied upon the agency system for the production of-

> FIRE-WINDSTORM AND ALLIED LINES OCEAN and INLAND MARINE-ALL RISKS AUTOMOBILE—COMPREHENSIVE—FIRE—THEFT and COLLISION

Home Office: 20 Market Square, Providence, R. L.

agent, were host to 25 of their local agents in southwest Texas at a dinner in San Antonio.

### Correction in Company Affiliation

The company affiliation of Drew P. Lawrence was incorrectly given in the issue of Oct. 2 in the list of honor students at the Florida short course school. Mr. Lawrence is special agent for the Great American group and is located at Lakeland, Fla.

### Open House Is Held

ATLANTA—The Associated Mutuals held open house in the building which it purchased early this year at 41 Exchange place. The building's name has been changed to Kemper Insurance

### May Change Alexandria Rates

RICHMOND—An investigation of fire rates in Alexandria, Va., has been ordered by the state corporation commission. A public hearing is set for Nov. 12. Alexandria is the only remaining Virginia city where flat rates prevail. Within the last year or so, Charlottsville, Staunton and Fredericksburg, which had similar rates were placed under had similar rates, were placed under schedule rating, which resulted in in-creases on some types of property and decreases on others.

### Lon Sullivan Speaks in Atlanta

ATLANTA—Lon Sullivan, secretary Georgia Association of Insurance Agents, spoke at the Fire Prevention Week spoke at the Fire Prevention Week luncheon of the junior chamber of com-merce, urging citizens to unify for city, state and national defense. James Sea-graves, inspector Atlanta fire depart-ment, outlined plans for a fire prevention

school. Fire Chief C. C. Styron gave a brief description of new Atlanta equip-

### **NEWS BRIEFS**

The Atlanta Insurance Women's Club has voted to hold its annual dance Dec. 5 and to defer arrangements for its annual series of study classes until after it receives a report from an educational conference to be held at the annual meeting of the National Association of Insurance Agents in Kansas City, where the national president of the women's organizations and others are to discuss plans. Lon Sullivan, manager Atlanta and Georgia Associations of Insurance Agents, spoke on safety conditions.

Quest Couch, Jr., son of Quest Couch, Sr., San Antonio local agent, has been appointed to a position in the fire rating bureau of the Texas insurance department, Austin.

The engagement of Miss Mary Martin Nokely of Richmond, Va., to **H. V.** Godbold, Jr., vice president of the H. V. Godbold Company agency, has been

announced.

A fire prevention film was shown before civic clubs in Norfolk, Va., by the Norfolk Board. Members of the board also made talks in the schools.

G. R. McAlpine, Oklahoma City fire chief, addressed the Insurance Women's chief, addressed the Insurance women's Club on the importance of fire prevention. The next meeting, Oct. 25, will be "out of town guest day." Insurance women from Hutchinson, Wichita, Salina and Topeka, Kan.; Tulsa, Ponca City and Enid, Okla., and Dallas, Tex., are expected to attend.

Royal, Fendig & Shelander, Brunswick, Ga., have purchased the agency of T. M. Swearingen, who will continue with the agency.

noon, consisting of reports, addresses and election of officers. Through the and election of officers. Through the courtesy of the companies there will be a cocktail party late that afternoon, and

a cocktail party late that afternoon, and the convention banquet will follow.

The final session will be the next morning, featuring a quiz period, panel discussions and educational talks. At noon there will be a number of tables at which different subjects will be discussed including: agency advertising, collection methods, non-ownership auto liability, personal liability, comprehensive liability, fidelity, contract bonds, accident and health, personal property floater, U. & O.

That afternoon there will be a golf tournament at the EI Rio club and in the evening will be the Arizona-Texas

the evening will be the Arizona-Texas Mines football game for which the as-sociation has a block of tickets.

### View Demands for Higher Minimum for Office Workers

SEATTLE—A hearing was held here on a proposal by the C.I.O. to boost the minimum wage for women office workers from \$13.20 to \$22.50 in Washington. Various employer groups, including representatives of insurance concerns, testified that while the minimum might be too low to comply with the "health and decency" standards set

mum might be too low to comply with the "health and decency" standards set by law, the \$22.50 proposed minimum would work a hardship on employers and apprentice employes as well.

Representatives of the Washington Association of Insurance Agents presented the viewpoint of the fire and casualty agents. E. R. Bowden, Seattle, chairman legislative committee, said the association was not opposing any change in the minimum that would be necessitated by rising living costs.

asid the association was not opposing any change in the minimum that would be necessitated by rising living costs. Most insurance offices are paying in excess of the present minimum. He stated that consideration should be given the problem of employers in the smaller towns where the cost of living undoubtedly is less.

An apprenticeship problem would be created if the proposed \$22.50 minimum were imposed, Irwin Mesher, executive secretary Washington agents' association, pointed out. Many agencies, particularly in the less populous centers employ so-called "marginal" workers at wages in excess of the \$13.20 minimum. This affords inexperienced office workers an opportunity to learn the workers an opportunity to learn the business and secure better positions. If the minimum were raised appreciably, many of the apprentices would not be employed, it was pointed out.

### Four Pacific Coast Veterans Honored in San Francisco

SAN FRANCISCO-Fire insurance men here held a colorful and impressive dinner honoring A. T. Bailey, Wallace Kelly, E. C. Fox and Harry L. Simpson Kelly, E. C. Fox and Harry L. Simpson on their retirement from active business. Each of the honored guests took home with him a photograph and a receipted bill, the photograph as tangible evidence of a gift which had been delivered to each one's home and the receipted bill as convincing evidence that the gifts were convincing evidence that the gifts were

gifts.

Mr. Bailey, former North British manager and vice-president, received a photograph of a radio from Charles C. Hannah; Mr. Fox got a picture showing hunting coat, gun, fishing tackle, etc.; Wallace Kelly, a coffee set and tray and Harry Simpson, a home desk and chair. Wallace Kelly, a coffee set and tray and Harry Simpson, a home desk and chair. H. F. Mills did the honors for Mr. Simpson; Carl A. Homer, Swett & Crawford, for Mr. Kelly and H. Clyde Edmundson, America Fore, for Mr. Fox. Ioy Lichtenstein, Hartford Fire,

Joy Lichtenstein, Hartford Fire, proved his ability as toastmaster, and J. B. Levison, board chairman Fireman's Fund, once a guest at a similar dinner, spoke on "the old days."

### Labor Asks Premium Tax Boost

SAN FRANCISCO-At its annual convention the California Federation of Labor adopted a resolution urging that fire companies operating in California pay an additional .9 percent premium

### Cobb & Stebbins Brochure Traces 77 Years' History

Cobb & Stebbins, large Denver general agency, has brought out an interest-ing brochure entitled "Pioneering with Insurance," which traces the history of this venerable agency over a span which takes in ox-drawn covered wagons and

streamlined trains.

The agency was established by George The agency was established by George E. Crater in 1864, being joined five years later by Charles D. Cobb, who had served in the Confederate army during the civil war, then went west by wagon train, arriving at Denver in 1863. The agency became Crater & Cobb and in 1870 was purchased by Mr. Cobb, operating under the name of C. D. Cobb & Co.

Half Century in Service

Clarence Cobb, a son, became iden-Clarence Cobb, a son, became iden-tified with the agency in 1891 and this year is completing 50 years' service with the organization. Herbert Cobb Steb-bins, a grandson of Charles D., entered the agency in 1906. Charles D. died in 1914 and a few years later Clarence Cobb and Herbert Cobb Stebbins became the partners under the firm name of Cobb & Co., which about 20 years ago, upon combination with the E. J. Miller general agency became Cobb, Miller & Stebbins, and in 1932 took the present

Eugene B. and Raymond H. Stebbins, younger brothers of Herbert Cobb Steb-bins, joined the agency about 20 years

bins, joined the agency about 20 years ago and also Harry S., the father, who remained until this year when he rounded out 21 years' service.

Raymond and Leonard Stebbins started their own agency in 1927 consolidating with Cobb & Stebbins in 1938, thus bringing together for the first time in the same office all of the Stebbins brothers with Clarence Cobb, their uncle, who is senior member. The two sons of Leonard, Alfred L. and Elmer L. Stebbins, great-grandsons of Charles D., are employed by the office.

tax, making a total of 3.5 percent, while ocean marine carriers be assessed an additional tax of 5 percent on all profit from such business. The additional funds so collected would go to the state fire marshal division, "whose work is burdened with activities far in excess of the amount allowed for the support of the department." A bill embodying the provisions will be introduced at the next legislature.

Another resolution calls for a reduction in the hours of work of firemen who are now employed from 84 to 164 hours

per week.

Another resolution proposes that the Another resolution proposes that the city and county of San Francisco take over the operation of the Underwriters Fire Patrol because the 2 percent limitation placed upon the assessment of companies' premiums in San Francisco, does not permit adequate pay to patrol employes. Insurance men point out that the resolution indicates a lack of understanding as to how the patrol operates. operates.

### Rich to Address Librarians

SAN FRANCISCO—W. G. Rich, assistant manager of Royal-Liverpool and president of the Fire Underwriters Association of the Pacific, will address the Special Libraries Association Oct. 18 on the importance of insuring the books in these special libraries.

Miss Avis Bryson, librarian of F. U. A. P., president of the San Francisco Bay region chapter of the libraries organization, will preside.

ganization, will preside.

### Brokers Plan Double Celebration

SAN FRANCISCO-The Insurance Brokers Exchange of San Francisco will hold a double celebration Dec. 17, the usual annual citywide Christmas lunch-eon and a celebration of its 35th anniversary.

Several hundred, including city and state officials, and business men, as well

# PACIFIC COAST AND MOUNTAIN

### **Washington Liquor** Cover Buying May Go to Bid Basis

SEATTLE-A shakeup in the Washington liquor control board staff, resulting in the abolishment of the post of insurance manager and the resignation of L. D. Mallette, presaged establishment of a new system for handling lishment of a new system for handling the state's insurance requirements. Mr. Mallette, who joined the liquor board 6½ years ago, headed an insurance buying setup for the state-operated liquor monopoly, under which contracts of insurance were negotiated with the companies and commissions thereon distributed to selected agents throughout the state. the state.

The change did not come as a sur-The change did not come as a surprise as Governor. Langlie, since taking office early this year, has been contemplating revision in the state's method of purchasing insurance. Recently he placed the responsibility for this activity in the hands of Harold D. Van Eaton, supervisor purchasing division, who negotiated liability insurance on the highway department's equipment and also a schedule bond on all state employes. Informed sources in Olympia believed that before the first of the year a competent insurance man will year a competent insurance man will be retained by the budget and finance department to negotiate all of insurance requirements.

### Will Be on Bid Basis

It is anticipated that most of the state's insurance will be purchased on a bid basis in line with the policy established by Governor Langlie earlier in the year in connection with the bond schedule and the highway equipment. All insurance and bond requirements of the liquor board, it is anticipated, will also be handled in this manner.

This will represent a radical departure from the system employed by the liquor board, under which contracts of It is anticipated that most of the for Tucson Rally

insurance were negotiated direct with the companies and the commission placed in a trust fund. Periodic distri-butions of commissions were made to butions of commissions were made to bona fide agents in various towns and cities throughout the state. Under the system employed, only office-maintain-ing agents without finance connections were recognized. Despite the precau-tion which was exercised there was considerable confusion and misunderstanding regarding the method of com-mission allocation.

Governor Langlie is said to have expressed dissatisfaction with the liquor board's method of commission payment and favors purchasing on a bid basis, giving due consideration also to the giving due consideration also to the quality of the protection offered as well as the service. This will, of course, mean the elimination of many agents as far as receiving commission payments; but will meet with the approval of many critics of the old plan who contended that the distribution was an unsound and indefensible method from an economic standard.

nomic standpoint.

Mr. Mallette has had over 20 years of insurance experience. For 11 years he served as field man in the northwest. He was with the old George Tyson office in San Francisco and for two years was manager at Los Angeles for the Interstate Casualty. His previous connections included Swett & Crawford, Fireman's Fund at Spokane and also Hansen & Rowland, general

# Map Ariz. Program

ure Y

r geng with which is and

jeorge had during wagon The nd in oper-Cobb

iden. with Stebitered ied in rence came ne of ago, Miller ler &

bins, Stebyears who bbins con-1938, time their two

lmer

arles while ad-rofit ional s of t of the next

ducwho ours the take omtrol out trol

ich 000 ters Oct. the TI sco or-

n the ni-

as agents, brokers and company execuas agents, blockers and company executives attend this event. This year, because of the anniversary, it is expected the program will be enlarged. Elmer Gunther is again chairman of the committee on arrangements.

Women Have Education Program

PORTLAND, ORE.—The Insurance Women's Association of Portland has adopted an educational program, proposed for simultaneous use by the Spokane, Seattle and Tacoma associations, comprising the Northwest District Conference, by Eva B. Kloster, treasurer of the National association. Seattle has concurred in the schedule, and it is thought likely the two other cities will follow suit. follow suit.

Addresses already have been given on "The Fire Insurance Contract," by T. B. Thompson, North British & Mercantile and "Fire Insurance Forms,, Endorsements and Clauses," by Keith

Endorsements and Clauses," by Keith Rhodes, Home.
Others scheduled are: Oct. 22, "Automobile Bodily Injury and Property Damage," Dave Pearson, of Bates, Lively & Pearson; Oct. 29, "Garage Liability and Property Damage," Phil Carrell, Associated Indemnity; Nov. 4, "Inland Marine," E. A. Valentine, Fireman's Fund; Nov. 12, "Burglary and Robbery Insurance," V. R. Taylor, H. C. Pownall agency; Nov. 19, open forum; Nov. 26, "Contract Bonds," Lowell Miller, Hartford Accident; Dec. 3, "Adjustment and Settlement of Losses"; Dec. 10, "Types of Insurance Carriers."

### Corbett Heads Blanket Club

SEATTLE — Armstrong Crawford, former president Great Lakes Casualty, spoke at the annual dinner meeting of the Seattle Blanket Club. Wallace D. Corbett, C. B. DeMille General Agency, was elected president, succeeding William King. Other new officers are Earl Evans, United Pacific, vice-president; William Fox, Frank Allyn, Inc., secretary, and Tom Telfer, Carter, MacDonald & Co., treasurer. Al Dempsey. Massachusetts Bonding, was named chairman in charge of arrangements for

chairman in charge of arrangements for the installation party early in November.

Mr. Crawford cited important court decisions affecting the casualty business. He pointed out the need for careful consideration of legal precedent in sound underwriting.

### Form Portland Blanket Club

The Portland Blanket Club, a new or-The Portland Blanket Club, a new organization of young insurance men between 21 and 36, was formed there with 17 charter members. At the next meeting Oct. 20, V. R. Taylor, H. C. Pownall agency, will speak on "Comprehensive Liability Insurance." A question and answer session will follow his talk.

Officers elected by the club are: President, Fred Greer, Fire Companies Adjustment Bureau; vice-president, R. A. DuBay. Regal Insurance Service; secre-

DuBay, Regal Insurance Service; secretary, Don Grew, Charles W. Sexton Company; treasurer, Walter Rosslow, Oregon manager D. F. Broderick, Inc.

### Conference at Walla Walla

Conference at Walla Walla

WALLA WALLA, WASH.—Thirtyseven agents and company men attended an evening educational meeting
here in conjunction with the state-wide
program of the fieldmen and agents'
associations. A panel discussion was led
by Howard B. Speer, Atlas, assisted
by A. S. Heatfield, Selbach & Deans;
Dan Blasen, Fire Companies Adjustment Bureau; Steve Carkeek, Aetna
Fire, and Bruce Anderson, National of
Hartford. W. A. Groce, National
Board investigator, spoke on sabotage
and defense activities.

Ralph Swan with De Mille

Ralph Swam with De Mille
W. H. Marks, president C. B. DeMille General Agency, Seattle, went to
Spokane in connection with the appointment of Ralph Swan as special agent in
the inland empire territory. Mr. Swan
is associated with John G. Ellingson,
who has for many years had supervision
of the DeMille general agency's eastern

Washington, Idaho and Montana opera-

### Defense Talk in Portland

PORTLAND, ORE.—At the October meeting of the Portland Association of Insurance Agents Former Mayor J. K. Carson spoke on the individual's responsibility in the matter of governmental activities and, as inspector general, Office of Civilian Defense, outlined fire prevention's part in civilian defense. Members of the Insurance Women's Association of Portland were specially invited guests. C. H. Tisdale, recently appointed deputy insurance commissioner, also was a guest.

### Collins and Wilson Speak

LOS ANGELES—At the Los Angeles Insurance Exchange's lecture series, talks on "Consequential Coverages," were given by Robert Collins, Los Angeles special agent Fire Association, and "Use and Occupancy," by Paul Wilson, Los Angeles manager Phoenix-Connecticut group.

### R.A.F. Cadets Honor Guests

LOS ANGELES—Approximately a score of youthful R. A. F. cadets, training for combat at the air training school at Lancaster, Cal., were the honor guests at the installation ceremonies of Insurance Post No. 513, American Legion.

Legion.
Robert Gardner, San Bernardino, newly installed California department legion commander installed the new officers headed by Commander E. N. Van Ness, General of Seattle.

### Grover San Francisco Manager

LOS ANGELES—L. C. Grover, acting manager of the San Francisco office of Spear & Co., has been appointed manager. He has been in the insurance business about 18 years and for the past few years had traveled northern California for Spear & Co.

### Cavalier in California

Cavalier of Baltimore has been li-censed in California, with Herbert A. Nelson of San Francisco as general agent. It will write fire and automobile

### Valensi in Field for Humphrey

LOS ANGELES—S. G. Valensi, who has been with the underwriting department of the T. V. Humphreys general

agency, has been promoted to special agent for southern California.

His father, Dr. Albert Valensi, was president of Importers & Exporters from 1919 to 1935, when it was taken over by Corroon & Reynolds.

### Pueblo Women Consider Club

A group of insurance women of Pueblo, Colo., held a dinner meeting recently to discuss the forming of a club. A dinner is planned for Oct. 25, when Mrs. Elsie B. Mayer of Denver, president of the National Association of Insurance Women, will be the speaker.

### NEWS BRIEFS

V. M. Haidinger, Los Angeles manager of Newhouse & Sayre, will address the Insurance Girls Service Club of Los Angeles Oct. 21 on "Marine Insurance."

The Long Beach Insurance Associa-tion will hold its annual golf tournament and stag dinner Oct. 24.

and stag dinner Oct. 24.

The Insurance Girls Service Club of San Diego will hold its annual Hallowe'en dinner dance Oct. 18. New officers are: President, May Shannon; vice-president, Carol Tibbetts; corresponding secretary, June Beauregard; recording secretary, Elaine Culver; treasurer, Elsa McKinney.

R. L. Salmon, Salt Lake City special agent Commercial Union and former president of the Utah Association of Insurance Agents, spoke at a Fire Preventation Week luncheon at Idaho Falls, Ida.

The Insurance Women's Club of Seattle is planning a "bosses' night" dinner for Oct. 28.

## **MOTOR**

### Poll St. Louis Producers on Forming Finance Company

ST. LOUIS—A poll is being taken among agents and brokers of St. Louis on whether they should organize their own automobile finance company. There has been a growing feeling on the part of St. Louis insurance men that a more will the strength of the stren militant attitude should be taken toward the inroads being made on their business by the automobile finance companies and more recently by automobile dealers.

The questionnaire sent out is designed solely as a means of obtaining a cross

section of thought on this subject and

section of thought on this subject and does not impose any financial commitment on the agent or broker. Among the questions asked are:

1. Do you believe such a company would be an effective instrument in the protection of St. Louis insurance agents and brokers? and brokers?

2. Do you feel that the automobile finance situation is sufficiently serious to

warrant such a step?

3. Assuming a St. Louis-owned insurance men's finance company were organized, would you recommend its facili-

ganized, would you recommend its facilities to your customers and otherwise support it?

4. If wholly owned by St. Louis agents and brokers, would you subscribe to one share of stock nominally priced at say \$2.50, \$5 or \$10 per share to spread ownership? (Not a commitment.)

5. More than one share if offered? (Not a commitment.)

Ample space is provided for "re-

Ample space is provided for "re-arks." Signing the questionnaire is

optional. optional.

The committee that has been studying the subject and which favors such a step is composed of K. M. Hickey, chairman; J. J. O'Toole, W. D. Hemenway, Jr.; G. O. Carpenter, Jr.; F. E. Maginity, A. F. Felker, O. D. Prowell, J. F. O. Reller, L. H. Antoine and Randall Foster. The committee feels that



### CINNAMON TRADE A RACKET IN 281 B.C.

In ancient times, cinnamon, rare and pre-cious, was brought to Rome, Athens, Carthage from the East by way of Arabia. To keep prices high, traders concocted fantastic tales. They told that cinnamon grew in the center of a mysterious lake guarded by ferocious birds which at-tacked all who sought the spice.

Long before its zestful flavor was appre-Long before its xestful flavor was appreciated, cinnamon was widely used in medicines, perfumes, ointments. Believed miraculously capable of inspiring love, it was deemed potent in love charms. Today, cinnamon, powdered and in sticks, is familiar kitchen magic (imagine pumpkin pie without it!) and fortunately is imported plentifully from the Indies.

Insured by the AIU at the source, in ware-houses, shelters, and during processing, cinnamon is but another one of countless products grown, manufactured or mined beyond the seas and protected by U. S. dollar coverage in American companies through our organization. Present world conditions require facilities of this kind for agents and brokers to handle effi-ciently the international insurance needs of their clients.

AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION



111 John St., New York 340 Pine St., San Francisco Havana, Cuba Manila, P. I. Bogota, Colombia, S. A. Shanghai, China Hong Keng

A SOUND AND DURABLE TIMBER IN THE STRUCTURE OF ANY AGENCY



ONE OF THE TRAVELERS COMPANIES

the present poll should be taken among the individual agents and brokers before it proceeds with its work.

### Consider Oregon Finance Action

PORTLAND, ORE.-The Portland Association of Insurance Agents, in co-operation with the Oregon Association of Insurance Agents, is considering pro-posal for some radical changes in ar-rangements for insuring financed cars.

This question has been more or less prominent for more than two years and prominent for more than two years and exploded into an open controversy in Oregon last year when General Motors entered the Motors Insurance Corporation in the state and the Oregon department permitted licensing of garages and automobile dealers for such insurance. Efforts of neighboring states to regulate and control this situation are being carefully watched by the agency leaders in Oregon, before taking any action.

# EASTERN STATES ACTIVITIES

### Massachusetts Card Is Announced

An executive committee meeting will open the annual convention of the Massachusetts Association of Insurance Agents at the Hotel Sheraton, Springfield, Oct. 29-30. Following committee and officers' reports in the afternoon, the annual get-together dinner will be held with President F. R. A. McGlynn, presiding. Mayor Putnam of Springfield will welcome the guests and talks will be given by Jerome Van Wiseman, director of public relations and publications National Association of Insurance Agents, and Dr. Hugh P. Baker, president Massachusetts State College.

The second day's program will start with a local board breakfast and discussion with C. C. Parker, Worcester, presiding.

presiding.

### President McGlynn to Report

President McGlynn to Report

President McGlynn will open the regular session with his annual report followed by the educational report of A. H. Clarke, secretary. Edmund S. Oppenheimer, general manager Associated Insurance Agents & Brokers, Inc., will speak. "The Full Value of a Special Agent to an Agency" will be discussed by Ralph A. Cartwright, special agent Hartford Fire, followed by John W. Downs, general counsel Insurance Federation of Massachusetts.

In the afternoon "Administration of the New Qualification of Agents Law" will be discussed by Commissioner Har-

the New Qualification of Agents Law' will be discussed by Commissioner Harrington of Massachusetts. Robert B. McGaw, president Hampden Savings Bank, Springfield, and chairman of the insurance committee of the National Association of Mutual Savings Banks, will tell "What I Expect From My Insurance Agents." An advertising and sales panel discussion will be presented by three advertising managers, C. E. Freeman, Springfield Fire & Marine; Robert E. Brown, Jr., Aetna Casualty, and C. W. Van Beynum, Travelers. Mr. Brown is president of the Insurance Advertising Conference and Mr. Freeman is vice-president, The meeting will conclude with a report of the resolutions committee and election of officers.

### N. J. Agents Disappointed at Failure of Pledge Plan

NEW YORK-Though disappointed over their failure to induce members of the Eastern Underwriters' Association to sign the so-called New Jersey pledge, members of the contact committee of the local agents' organization that struggled with the problem for over 18 months, nevertheless appreciate the position of the companies, and so expressed themselves at various joint conferences. Most company executives are in complete sympathy with the desire of the local men to tone up the character of agency. representation in New Jersey, and in all other states for that matter, but hold the matter is one for individual company policy and not within the province of the E. U. A.

while memberhip in the New Jersey association falls far short of the total agency body in the state, it claims that its members write 85 percent of the premium income and hence the association

has the right to object to the appointment by any company of discreditable

### Mass. Non-Assessable Bill Up to Governor

BOSTON—A bill to permit Massachusetts mutual fire and casualty companies to issue non-assessable policies on nies to issue non-assessable policies on the same basis as policies written by mutuals in every other state, New Hampshire having recently passed such a law, was passed to be engrossed by the state senate 21 to 13. The house had previously passed the bill 129 to 23. It only has to be passed again for final enertinest and receive the governor's eigenstate of the same receivers and receivers the governor's eigenstate. actment and receive the governor's sig-

As amended and passed by the house the bill provides that mutuals which have surplus and guaranty deposit equal to the minimum paid up capital and as-sets required of stock companies writing the same class of business may write non-assessable policies. This means that the mutuals must have \$300,000 sur-plus and in addition deposit with the state treasurer \$200,000, either in Massachusetts or their home states.

### Cushmore General Manager

E. M. Cushmore, who has been in charge of the rating and special risk de-partments of Pearl at Philadelphia, has

partments of Pearl at Philadelphia, has been appointed general manager of Germantown Mutual Fire.

Mr. Cushmore is a lifelong resident of Germantown and entered insurance in 1927 with the Philadelphia division of the Middle Department Rating Association. While thus employed by attended the Middle Department Kating Associa-tion. While thus employed, he attended evening courses in insurance in the Wharton School for four years. In 1932 he joined the Pacific Fire group in Phil-adelphia and served in the rating and agency departments and later as special agent in Philadelphia and suburbs. In 1933 he ising Pacil 1935 he joined Pearl.

### **Boston Library Group Elects**

BOSTON—At the annual meeting of the Insurance Library Association of Boston these officers were elected: President, W. B. Medlicott; vice-president, James F. Crafts, Fireman's Fund; secretary, D. N. Handy; trustees for three years, Mr. Crafts, Mr. Medlicott, John J. Flynn, Massachusetts Bonding; R. T. Cairns, Providence Washington; A. D. Cronin, Kaler, Carney, Liffler & Co.

Secretary Handy reported a total membership of 269, of which 202 are active members.

### Brigham Heads Small Agency

Clement H. Brigham, formerly vice-president of F. F. Small & Co., Hart-ford, has now been elected president of that agency taking the place of the late Frederick F. Small. Mr. Brigham has been in the insurance business 50 vears. He went with National Fire in years. He went with National Fire in 1891 and five years later joined the Small agency.

### Take Lumberyard Precautions

As a result of two disastrous lumber-yard fires in Philadelphia in recent months, Fire Marshal Clinton of that city, in cooperation with members of the National Fire Protection Association, is



At Kansas City parley of agents—Mrs. Frank Preston, Minneapolis; Mrs. L. H. Gift, Peoria; E. S. Inglis, vice-president Corroon & Reynolds; Mrs. H. E. Reynolds, Duluth.

preparing regulations covering lumber-yards. The regulations affect size and spacing of piles and call for adequate watchmen and housekeeping. The two recent losses are attributed to unreason-able concentration of lumber values without adequate compensating private

### Harrisburg Agents Elect

HARRISBURG, PA.—The Harrisburg Association of Insurance Agents elected officers at its October meeting. Henry C. Ferber was chosen president, with Fred V. Rockey, vice-president; H. J. Finerfrock, secretary-treasurer; Fred Bryan and A. S. Feinerman, directors.

### Pittsburgh Club to Elect

PITTSBURGH-The annual meeting and election of the Insurance Club of Pittsburgh will be held Oct. 20.

### NEWS BRIEFS

The New York Fire Insurance Rating Organization has established a new base rate for **Jamestown** as a result of improvements in the city's fire fighting

W. C. French has joined the Kieb in Newark as vice-president and will be in charge of its insurance department.

# CANADIAN

### New Ontario Local Board

Another new agents' association has been formed at Timmins, Ont., to be known as the Porcupine District Fire & Casualty Insurance Agents Associa-tion. Officers are: President, J. E. Sul-livan; vice-president, L. Sauder; secre-tary-treasurer, A. W. Pickering.

### Helps Industry Pick Coverage

TORONTO-The Canadian Underriorron Toron The Canadian Under-writers Association has drafted a special tabular chart for the benefit of industry in war time which is apt to be inade-quately insured. The chart lists every possible type of insurance which indus-try can secure, and has columns where industrial executives can fill in data relative to their insurance protection and needs and determine of their own volition and not from any outside pressure the amounts of insurance which really

the amounts of insurance which really should be carried.

Entitled "Why Take Chances?" the tabular pamphlet shows the types of insurance that apply to the average business, but which are often overlooked.

The C.U.A. urges industry to remember that rising commodity prices and mounting machinery costs have increased insurable values.

### Oshawa, Ont., Agents Elect

Andrew Murdoch has been reelected Andrew Murdoch has been reflected president of the Oshawa (Ont.) Fire and Casualty Insurance Agents Association. Elmer Whitely is vice-president; R. H. Holden, secretary-treasurer, and N. Smith, recording secretary.

# MARINE

### Federal 10% Luxury Tax **Business Stimulator**

Marine underwriters see in the gov-ernment's imposition of 10 percent federal tax on jewelry, furs and other luxuries an opportunity for agents and brokers to secure considerable additional business. This tax automatically enhances the market value of new luxuries, but it also increases the value of such articles purchased prior to the effective date of the tax.

date of the tax,

Agents and brokers were sent a bulletin by a large office which pointed out that if all-risk jewelry and fur floaters, camera floaters, etc. prior to the new tax were in precisely the correct amounts, they now represent underinsurance and the limits should be increased by 10 persent. cent. It was pointed out this is a service approach which should produce other lines of business as well.

It will cost the marine companies 10 percent more to replace such articles purchased prior to Oct. 1, it was empha-



### Weavers

### ADJUSTERS! REDUCE YOUR FIRE CLAIMS!

Consult Us Before Settlements

We reweave to perfection Burns, Stains and Damages in Rugs (Oriental & Domestic), Table Cloths, Tapestries, Wearing Apparel and Upholstered Furniture. Finest Cabinet Refinishing of Furniture burnt by cigarets.

### All Work Guaranteed AMERICAN WEAVING COMPANY

Est. 1910 5 North Wabash Ave. Bldg. 13th Floor Chicago Phone: DEArborn 1693-4



erve leading Com-n and Adjusters shout the Country. ferences gladly furnished.

Gift. luth.

eally

f inbusi-

ed.

and

cted cia-

and

gov-fedther and

onal enies.

uch tive Ile-

out ers.

nts, and er-

ha

### Discounts Fear of Ascending Losses

(CONTINUED FROM PAGE 21)

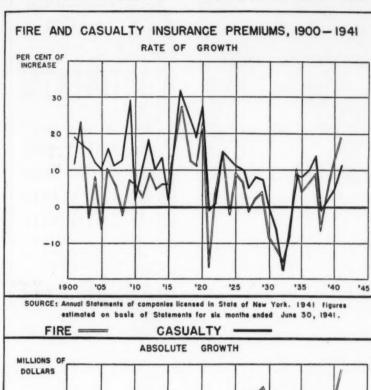
indicated the increase for 1941 is about 18 percent for fire companies and little more than 12 percent for casualty.

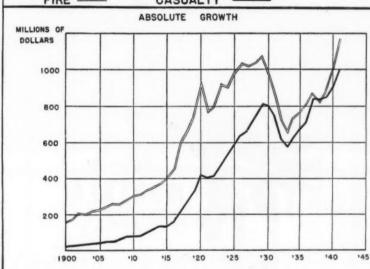
He conceded that the increased vol-

October 16, 1941

me and unusual stimulation of business bring danger as well as opportunity. The companies must take larger risks and no one knows what catastrophes may oc-

by rate reductions which have been genby rate reductions which have been general during the period of low losses. The experience of the past has been encouraging, he declared, and there is every indication that the business is capable of meeting the shocks of this period whatever they may be. But everything possible should be done to





cur as a result of sabotage and the rapid speeding up of operations. There will be only a moderate net profit on govern-ment contracts, as they are based to a considerable extent upon costs and management expense.

The fire and casualty companies were never sounder financially or better equipped to handle a large volume of business, Mr. Pink remarked. Another favorable factor is the growth of reinsurance and the practice of pooling risks to that any one obligation no matter how large or potentially dangerous is shared by a great many companies.

### Momentum Not Lost After War

Mr. Pink recalled that the rapid increase of business obtained through the momentum of the previous war was not lost after the war. There was a setback but it was temporary and even during the depression the volume was far greater than in normal times before the war. To some extent this may have been a reflection of the higher commodity price level but that is counterbalanced

promote care and safety. Accidents and fires cause a decided loss in efficiency which is detrimental to the great effort that the nation is putting forth.

Mr. Pink observed that trained insur-ance men and engineers are spread throughout the nation helping the government departments and those in charge of defense industries. They are supervising safety methods and de-vices and are doing their utmost to help prevent stalling of the work either because of inexperience and haste or will-ful acts. It is unfortunate, he said, that the public cannot know what fine work is being done in this direction.



### Missouri Agents in Hot Temper

(CONTINUED FROM PAGE 4)

did not call them. Mr. Welsh made it clear that not all companies were guilty

of such action.

John J. O'Toole, St. Louis, said that the agents were not trying to put all companies on the spot, but that those that officially told the agents they were for the bill and then deliberately worked against its passage should be singled out for condemnation.

Mr. Welsh also said that the action of certain companies was outrageous—

certain companies was outrageous—a shame and a crime—and that some comsname and a crime—and that some com-panies did not want a licensing bill of any kind and worked actively against the bill. At one point it was suggested that the resolution be tabled, but the vote against such action was overwhelming.

### Resolution That Was Passed

After several attempts to change the wording, the following resolution was adopted:
"Be it resolved that this association

regrets the reported activities of some representatives of some companies in their opposition to the agents licensing qualification law introduced in our last legislature, after accredited representatives of the companies had pledged their support of the proposed property.

legislature, after accredited representatives of the companies had pledged their support of the proposed measure.

"And be it further resolved that this association continue its active efforts for the adoption of proper agents and brokers qualification legislation in this state of Missouri."

Basil U. Sparlin, Springfield, president of the Missouri association, presided. Among the distinguished visitors was Pavne H. Midyette, National president, who spoke briefly. The new superintendent of insurance for Missouri, E. L. Scheufler; Stuart Ragland, Richmond, Va., and Col. John G. Emery, Grand Rapids, Mich., special representative Stock Company Association, were introduced. Mr. Scheufler told the agents that both the insuring public and the agent and company officials would be assured of fair and reasonable consideration by the department and he asked for the cooperation of all.

President Midyette spoke on public relations and brought out the fact that while much had been done to better public relations by both companies and agents, there is a great deal of work still to be accomplished along this line.

A pleasant feature of the gathering was the introduction of George D. Markham, St. Louis. Mr. Markham is one of three men now living who attended the first meeting of the National Association of Insurance Agents some 45 years ago. He is a charter member and one of the founders of the Missouri Association. Mr. Markham is held in high esteem by insurance men from all Association. Mr. Markham is held in high esteem by insurance men from all parts of the country. He has been made an honorary life member of the Missouri organization.

organization.

In order to save time President Sparlin announced that the reading of the reports of the officers would be dispensed with. He stated that such reports were filed with the executive secretary, J. W. Rodger of St. Louis.

The report of John J. O'Toole, secre-



tary-treasurer, shows the association to be in good financial condition with a comfortable cash balance on hand. The membership of the Missouri body now

totals 353. A resolution was adopted calling upon congress to provide income taxation for participating companies whereby the income of those companies or associations be taxed upon a basis of their income as it prevails prior to the payment of divi-

### Officers Were Reelected

The present officers were all reelected: Basil U. Sparlin, Springfield, president; W. J. Welsh, Kansas City, chairman ex-ecutive committee; George D. Clayton, Hannibal, first vice-president; J. H. Ashton, Kansas City, second vice-president; W. E. Walker, Cape Girardeau, third vice-president; John J. O'Toole, St. Louis, secretary-treasurer.

The 1942 meeting will be held at St. Loseph.

Joseph. Joseph.
Arthur Felker, St. Louis, reported for L. E. Bright, St. Louis, chairman nominating committee. The other members of the committee were, John J. O'Toole, St. Louis, and R. L. Menard, Joplin.
The national councillor will be appointed by the executive committee.
Since 1922 Missouri agents have been subjected to continuous enormously expensive and adverse publicity. President

pensive and adverse publicity, President Basil U. Sparlin of the Missouri asso-ciation said in his annual report. No doubt a part of this publicity and criti-

### Dog—The Friend of Man



TINNY, THE LIFE-SAVER

Stories of heroic rescues by dogs at times of danger are quite frequent, but here's one from recent newspapers under somewhat different circumstances.

A news item from Denver, Colorado, tells about a happy reunion of Tinny, a shepherd police dog and young Donald Murray, age 14. Donald Murray lay near death with a heart ailment in a Denver hospital. Donald's parents, Mr. and Mrs. Jack Murray, had moved to Denver two years ago, leaving the dog behind at Harlan, Kentucky. Donald was not responding properly to medical care. Doctors left that Tinny might spur Donald to recovery. The dog was brought from Kentucky. His devotion and loyalty gave a new lease of life to the boy.

"I began to feel better the day I saw him," onaid smiled upon his release from the hosical after recovering his health during the onths that Tinny was allowed to visit the sick id and be his companion again.

Another Friend of Man - INSURANCE -

Especially When Placed with

A Friendly Company

### SECURITY FIRE INSURANCE COMPANY

DAVENPORT, IOWA

Protection Since 1883

(Reduced reprint from a series of calendar-otters sent monthly to our agents and prospecblotters sent tive agents.)

cism is due to acts of omission on the part of companies and their agents, he said. However, "having endured it for almost 20 years, we feel that various superintendents of the states have oversuperintendents of the states have over-looked an opportunity to do a great pub-lic service by lessening this, and, most important, holding to an absolute min-imum the cost of these numerous litiga-tions." The many thousands in Mis-souri dependent on insurance for a liveli-hood "would welcome the opportunity to emerge from the clouded atmosphere that has enveloped them during this time."

The association would welcome an in-The association would welcome an investigation by the department of the coercive powers of finance companies and financial institutions as respects the writing of automobile insurance by dealer agents, he said. Everything should be done to redivert this business into its proper channels.

### Qualification Bill Sabotaged

Qualification Bill Sabotaged

In spite of 18 months' work on a qualification bill by an able and aggressive committee, the bill "was maliciously and deliberately sabotaged," Mr. Sparlin said. He suggested that the incoming administration investigate the action just recently taken by the Georgia association in adopting a qualification code. This, he said, supplements the coextensive in and out rule, and if rigidly enforced should deter the promiscuous appointment of unqualified agents who generally are attached to financial instipointment of unqualified agents who generally are attached to financial institutions or whose principal interest in being licensed is to write insurance on their own property or that of relatives,

employes or associates.

The Missouri association will be solidly behind another qualification bill in the 1943 legislature, he said. It is hoped at that time the association will not be compelled to combat the activities of the "fifth columnists" whose true identity is definitely known.

The association showed a net gain of

eight members over last year, bringing the total to 352. Mr. Sparlin urged co-operation of the Missouri Fire Under-writers Association in securing new memberships.

### Payne Midyette's Talk

A three-point public relations program was outlined for Missouri agents by President Payne Midyette of the National Association of Insurance Agents. It is essential, he said, that the agent get to the public the story of what he is doing and what his operations consist of so that the average individual may be disabused of the mistaken belief that the commission received by the agent commission received by the agent is all profit.

Employes of companies, he said, such as state agents, special agents, engineers, auditors and claim men, have not done as much as they could from a public relations standpoint. Agents should use

relations standpoint. Agents should use the services of these men to assist them in telling their story, and Mr. Midyette believes the National association should evolve a public relations program that will bring them into the picture.

In emphasizing the need for an all-industry office in Washington, Mr. Midyette said its job would be to work on public relations, furnish information, and coordinate the business with other offices for the underwriting and acceptance of business. The office should have a manager with outstanding ability and prestige and three assistants, one for casualty and surty, one representing fire lines and another for agents.

### Indestructibility of Insurers, Aim

### (CONTINUED FROM PAGE 3)

to England as the sanctuary of many rulers like the Queen of Holland, King of Belgium and other patriots from different nations. Mr. Lindbergh, he said, unfortunately seems desirous of destroying this sonctuary.



At N. A. I. A. convention—Back row—Ralph Bugli, New York, advertising manager; W. W. Waggoner, Kansas City, special agent; G. J. Giersberg, Kansas City, state agent London Assurance. Front row—Mrs. Waggoner, Mrs. Giersberg.

tent and progressive leadership for the world or they must abdicate. In refering to the campaign of the Germans against Russia, he said that the price that the Germans paid for this contest was tremendous and yet, he said, if Russia falls the price will not be too great. If Russia is defeated, he said, Germany will be much more powerful. Its aim is to blast that section of Europe before attacking England again. Other nations, he said, have been timid in thought and purpose. The Germans in mind and body think always of dominating the world.

nating the world.

Mr. Baxter said that he doubted very much whether the Germans would ever try to bombard the United States. However, he said with a German dominated world the United States will be squeezed economically into a very tight place.

### Much Interest in New Book on Reinsurance

Much interest is being taken in the volume "Reinsurance—Its Practices and Principles," the author of which is Edward M. Sturhahn, assistant secretary of Metropolitan Fire Reassurance and assistant to Vice-president W. J. Langler of Northeastern. The book will soon be published. It is dedicated to Carl F. Sturhahn, father of the author, and Mr. Langler. The subject of reinsurance is very much to the fore just now, inasmuch as the international situation has brought critical attention on the market and has compelled interest in the

has brought critical attention on the market and has compelled interest in the idea of adding to existing facilities.

Mr. Sturhahn reviews the field of reinsurance in a comprehensive manner and included in the book are 16 sample reinsurance contracts or agreements, including facultative, home office, semifacultative, general agency, first surplus fire, first surplus inland marine, quota share fire, retrocession quota share, cancellation by portfolio, portfolio contract for net line participation, fire conflagration, auto excess, mutual contract, spread loss, guaranteed profit, target risks exclusion clause. clusion clause.

After several years in the aviation business, Mr. Sturhahn went with Northeastern in 1937. He learned something of the inside routine and then undertook production work. Mr. Sturhahn's father requested the son to write a book on reinsurance and this he under a book on reinsurance and this he under-took shortly after his father's death.

### Guy to Address Cost Accountants

destroying this sanctuary.

When the war is over, he said, Britain and America must either supply compeniate the Mestern Adjustment, is to be one of the speakers at the Allen C. Guy, manager of the Columbus, O., office of the Western Adjust-





When in

MEN of affairs naturally stop at The Windsor because of its convenient location and its wellestablished reputation for courtesy, comfort and service.

The Windsor is recognized as the proper place for business and social meetings.

DOMINION

J. ALDERIC RAYMOND





# KANSAS CITY, MISSOU

46th ANNUAL CONVENTION OF THE NATIONAL ASSOCIATION OF INSURANCE AGENTS-OCT. 13-17



# Extends Congratulations

to the National Association of Insurance Agents on a most successful gathering. Those of the insurance fraternity shown on this page invite you to visit them whenever you are in their "neighborhood."



### MEMBERS OF THE INSURANCE AGENTS ASSOCIATION OF KANSAS CITY, MO.

Altman-Singleton & Co. Anderson-Bramwell Co. Ashton Ins. Agency Baer Ins. Agency Fred L. Bergstresser & Son Berkowitz Bros. Ins. Agency Bissett & Downey
Busler & Co.
Central Insurors Agency A. W. Childs & Sons Fletcher Cowherd Ins. Agency Co. Weldon D. Crow Chas. F. Curry Real Estate Co. L. S. Davis & Co. Leon H. Denison Preston Dobbin Arthur Fels Bond & Mtg. Co. First Mortgage Inv. Co. C. L. Flaugh Ins. Agey. Elmer J. Foley Fradenburg-Trotter Co. A. E. Gallagher Sons Gambrel-Stubbs Ins. Agey. Garrett, Inc. Groves Bros. Ins. Agency Co. Hagerty-Aus Ins. Agency

William B. Henderson & Co. Harold Hobart & Co. Holmes Ins. Co. Hoose & Nelson J. F. Houlehan Realty Co. Ralph B. Innis, Inc. Counselor W. B. Johnson & Co. Cliff Johnston & Co. Herbert V. Jones & Co. R. B. Jones & Sons, Inc. Kansas City Insurance Agency, Inc. Koenigsdorf Ins. Agency C. H. Loos William H. Launder Lovelace & Simmons, Inc. Mann, Barnum, Kerdolff & Welsh O. H. Martin McCiner-Wilbur Underwriting Co. George R. McCullagh Thos. McGee & Sons C. E. McLaughlin H. T. Miller Co. John A. Moore & Co. Muchlschuster & Jaiser A. P. Nichols & Co. The O'Brien-Hobart Agency O'Flaherty-Norman Co.

Oppenheimer Bros Patt Mortgage Co. Bert Pearson Ins. Agey. Peterson Bros. Ridge-Spellman Ins. Agency, Inc. H. G. Rumberger & Co. Wm. P. Sayro Ins. Agcy. Scarritt & North Shryock Realty Company Wm. R. Stanley Ins. Agency Chester T. Start, Inc. M. D. Stevenson Stern Bros. Ins. Agency Solomon Stoddard & Co., Inc. J. C. Swisher J. C. Swisher
Union Agency, Inc.
John J. Van Evera
Walker-Curtis Ins. Agency
Wallace Insumnce Agency
E. L. Walsh Agey.
John C. Warneke Co.
Speed Warner, Inc.
James B. Welsh Realty & Loan Co. James B. Weish Realty & Loan Westerfield Insurance Agency Chas. D. Williams Ins. Agency R. L. Willis & Co. Willock & Coomber Wilson D. Wood Ins. Agency

Keep this list for future reference in selecting your agent.

INSURANCE AGENTS ASSOCIATION OF KANSAS CITY, MISSOURI 403 INSURANCE EXCHANGE BUILDING

New ALL-TIME HIGHS—This Year:

N. A. I. A. — Enrolled Membership —

American Auto—"Enrolled" Policyholders



# N.A.I.A. Has Big Hour at Kansas City

# **Buyers Need More** Real Service, W. A. Sullivan Says

October 16, 1941

Thought Provoking Address Weighs Many Insurance Practices

More consultation with the buyer on matters affecting insurance in most of its phases was strongly urged by W. A. Sullivan, insurance director of Loose-Wiles Biscuit Co., Kansas City, in his talk Wednesday to the National Association of Insurance Agents in Kansas City. In discussing "The Buyer's View of the V-Plan for Insurance," Mr. Sullivan presented one of his customary searching analyses of the insurance busi-

searching analyses of the insurance business, and his talk was perhaps the most thought - provoking of an outstanding National association program.

In a constructive but firm manner, Mr. Sullivan deplored variances in rating and underwriting practices between states and territories, reluctance of insurance in many cases to give the buyer. ance in many cases to give the buyer simplified forms and broader coverage, lack of real service to assured, etc. The countersigning fee, he said, is a real ob-stacle in the relationship of buyers, agents and their companies. He sees still existing in insurance a very considerable duplication of effort and overlapping of functions which increase cost and add to confusion for the buyer.

### Want Lower Cost

Buyers, he said, want "better protection, a higher grade of service, and at a lower cost. There is no 'and/or' connecting those three points. Well managed organizations are not interested in one without the other two, and we honestly feel that all three should be available in the same package."

Industry recognizes control of losses as one means of reducing insurance cost but is not convinced that all experience

but is not convinced that all experience rating formulae adequately reward its efforts, he said. Many feel that more lines of insurance are eligible for such treatment. In recent years assured have talked a great deal about better protection, which is more complete coverage
(CONTINUED ON PAGE 70)

# Agency Group Meetings, Election on Thursday

vene as a body to see a sound motion picture of the previous days, hear Con-gressman Joe Starnes of Alabama, ap-

gressman Joe Starnes of Alabama, applaud the winners of trophies and elect their new officers.

The group sessions will be held in the Municipal Auditorium, which has proved an excellent meeting place, and will be divided along the usual lines, the first for agencies producing up to \$100,000 annual premiums, the second from \$100,000 to \$300,000 and the third over \$300,000. These discussions, which are entirely informal, are perhaps the are entirely informal, are perhaps the most popular feature of the entire convention. It has been claimed that the aggregate attendance of agents at these conferences exceeds that at any general convention session.

### Purifoy Heads First Group

G. S. Purifoy, Camden, Ark., will be chairman of Group 1. He has scheduled five general subjects and it is quite likely that others will be raised from the floor. The subjects announced in advance are direct mail solicitation, agency collections under present day conditions, accident and health insur-ance, comprehensive liability in small agencies and agency records and sys-

tems.
Group 2, which often draws the largest attendance, will have R. J. White, Los Angeles, in the chair. He has listed for discussion servicing existing business, including underwriting, rates and forms, competence of office assistants and claims; prospecting for new business, emphasizing methods, survey selling, small premium business and salesmanship improvement; defense survey selling, small premium business and salesmanship improvement; defense demands and opportunities, including fire and accident prevention, increasing premium income from contractors and manufacturers and also from their employes and life insurance in the general insurance office.

E. C. Gambrell of Seay & Hall, Dallas, will preside over Group 3, the "Million Dollar Round Table" of the fire and casualty business. Mr. Gambrell, who is president of the Texas associa-

KANSAS CITY—A crowded program Thursday will end a convention of the National Association of Insurance Agents which has undoubtedly been the most crowded on record. The ever-popular agency management group sessions will take up the morning and this afternoon the members will recontain the commission reductions for their services are justified and whether the commission reductions for their services are justified and whether their chief aim is competitive. Because whether the commission reductions for their services are justified and whether their chief aim is competitive. Because of the size of offices for which this ses-sion is intended, it usually has the smallest attendance of the three groups, but its subjects and the ideas of the participants are invariably of great in-terest to everyone. terest to everyone.

### Woodworth Memorial

Of the trophies to be presented this afternoon, there is usually the greatest interest in the Woodworth Memorial, which is awarded to the member who has performed the most outstanding work for insurance during the past year. Officers and members of the executive committee are not eligible while they are serving as such. In the past few years, this coveted award has gone to such outstanding figures as Allan I. Wolff, W. Owen Wilson, L. P. McCord and W. Herbert Stewart. It is not mandatory to make an award and on several occasions the executive committee has omitted it.

mittee has omitted it.

There will be much interest in the sound film as it is based on the history sound film as it is based on the history of the National association. One scene depicts G. D. Markham of St. Louis, one of the early presidents at his summer home. There will be moving pictures of people attending this convention at different stages of the week.

### Agents Ask for Voice on HOLC Loss Matters

Headquarters of the National Association of Insurance Agents announced that the executive committee had had a complete discussion of the amended agreement between the Home Owners Loan Corporation and the Stock Company Association. Reports were given by the various committeemen as to the acceptance and operation of the new agreement in their states or territories. agreement in their states or territories. The executive committee went on record asking that "the Stock Company Association so arrange that the agent func-tion in every possible manner, particu-larly in the adjustment of losses."

# Bennett's "V-Plan" Applauded, Several **Issues Prominent**

Group Meetings, Full Sessions Alternate. Mum on Graded Costs

KANSAS CITY-The big feature of the annual convention of the National Association of Insurance Agents here is the "V-Plan for Insurance." It was more widely publicized than any idea at a national meeting in years, and piqued the interest of everyone. The Tuesday morning session at which Walter H. Bennett, secretary and general counsel of the association, set forth his explanation of the program, was the best attended of the general convention gatherings. Agents were discussing it on all sides.

The "V-Plan" is a broad program of

all the non-controversial issues in the National association picture, and it will, as its sponsors point out, take all of the best thought and energy of agents and their organization a long time to realize. It is intended to give point and direction to all the varied constructive purposes, ideas, objectives, and ideals of the agency system.

### Visual Presentation

Following Mr. Bennett's presentation of the "V-Plan for Insurance," Jerome Van Wiseman, director of publications for the National association, put on a "visualization" of the V-Plan. This consisted of a series of colored slides which Mr. Van Wiseman articulated with rapid fire comment. This lasted about an hour, and covered all the constructive ideas agents and their association stand for: selling, public relations, market research, etc. It also presented the ideas of buyers clinics, coverage laboratory, the local agency as an information bureau for the public, visual selling, sales panels, a Washington "listening post," and so on.

The National Association Independent Insurance Adjusters, United States Chamber of Commerce, and National (CONTINUED ON PAGE 54)





PAYNE H. MIDVETTE, Tallahassee



R. W. FORSHAY, Anita, In.



WALTER H. BENNETT. New York



SIDNEY O. SMITH, Gainesville, Ga.

# Practical Selling Ideas Feature Production Panel

duction," ably staged at the Monday morning session of the National Associa-

morning session of the tion of Insurance Agents at Kansas City by the Business Development Office. Milton W. Mays, director of the B. D. O., presented the subject and the subject of the session of of the sented the subject and the speakers featured on the panel: Fred W. Westervelt, Jr., Frank T. Priest, W. Eugene Harrington, Francis W. Potter and Carroll C. Day. Allan I. Wolff, Chicago, a past president of the National Association, presided over the general session Monday.



National Association, presided over the general session Monday.

Emphasis of the program was on salesmanship, with enough on the mechanics of agency management to provide a sound foundation. The ideas were vigorously and ably laid down, and they gave agents a wealth of practical, tried material to take home.

### WESTERVELT'S STUDY

"You, Inc.," is, of course, the agent and his business, and he must look at both realistically, Fred W. Westervelt, Jr., assistant director Business Develop-ment, said. "Start Watching" is as im-portant as "Stop-Watching Your Busi-ness."

There are many factors which contribute to the success of an insurance agency, he said. To depict these he drew a chart of a typical agency organization, showing those things that contribute to

efficient operation.

As in all organizations, there must be As in all organizations, there must be a head, someone responsible for administration, the future plans of the business and the methods by which it is to be operated. This is the executive department. Here originate plans of operation, control, correlation and time control. In this business, time is money, and time must not be wasted he said and time must not be wasted, he said.

### Five Other Departments

Under the executive department are Under the executive department are five other departments, each of which contributes to the success of the agency. These are, treasury, sales, service, advertising and research. Even with a one-man agency, it is necessary that the agent systematize his activities so that each phase receives the proper amount of time.

of time.

The treasurer's department must maintain solvency. Knowing what he has to spend is much more important to the agent than knowing how to spend it. This department has the collection of customers' accounts. When a policy is written definite arrangements should be made for premium payment, and the be made for premium payment, and the treasurer should see that these arrangements are carried out. Abnormal extension of credit is a loss and often makes the customer contemptuous of the agent's ability as a business man. A third function of this department is disbursing funds. While this seems simple, rigid control is necessary. Premiums collected are held by the agent as trustee for his companies. The funds belonging to one should not be used to pay another. If this is done because there may be outstanding accounts the agent desires to carry past the normal period, difficulties immediately arise. A period, difficulties immediately arise. A good accounting system is a prerequisite and should enable the agent to know his financial position at any time.

The sales department is the most im-portant in the organization, and it

The agent seeking to do his job bet-should follow a definite merchandising ter, for the public and himself, found a plan. Planned selling eliminates wasted lot of answers in the "Pattern of Procalls and wasted time. Prospecting is duction," ably staged at the Monday concentrated here. A prospect is not should follow a definite merchandising plan. Planned selling eliminates wasted calls and wasted time. Prospecting is concentrated here. A prospect is not merely a name on a list, but one about which certain information has been secured. Any person is a suspect for insurance, but the suspect becomes a prospect only after the agent knows his need for insurance, if he can pay for it, and if he is a desirable customer.

In the service department are those routine duties by which the agency

routine duties by which the agency maintains its normal contacts with cus-tomers. It is here the agency has the oportunity to demonstrate it has earned the commission dollar paid it. A properly handled loss means a satisfied customer, and a recommendation to others of the agency's service. The assistance the agent gives at the time of the loss, or when an accident has occurred, does



FRED W. WESTERVELT

more to create good will for him than any other one thing. The department is responsible for discovering a possible rate reduction before assured or another agent does so. Fire and accident pre-vention and surveys whenever possible are other items.

### Stenographic Division

The stenographic department brings the agent in contact with the public, and should include a helpful attitude, a pleasant voice on the telephone, a letter pleasant voice on the telephone, a letter currently phrased and properly typed, and courteous reception in the office, all of which build up a friendly relation-ship between customer and agent.

Advertising is essentially direct mail, calendars or desk pads, the local press, or whatever plan is best suited to a given locality.

A research department indicates leadership, and is essential in these times, he

(CONTINUED ON PAGE 71)

### Tuesday Dinner One of the Bright Spots of Program

The get-together dinner on Tuesday evening of convention week is always anticipated with great delight because it is one of the festive occasions of the convention. This week the function was held in the Municipal Auditorium. held in the Municipal Auditorium. President Payne H. Midyette of Tallahassee, Fla., presided. He was introduced by President Raynolds Barnum of the Kansas City Insurance Agents Association. One of the popular parts of the program is the introduction of distinguished execute and post-parts. Association. One of the popular parts of the program is the introduction of distinguished guests and past presidents. The former presidents of the organization present at the meeting were W. H. Menn of Los Angeles, Frank R. Bell, Charleston, W. Va.; Clyde B. Smith, Lansing, Mich.; W. E. Harrington, Atlanta; C. F. Liscomb, Duluth; Owen Wilson, Richmond; Kenneth H. Bair, Greensburg, Pa.; E. J. Cole, Fall River, Mass.; Sidney O. Smith, Gainesville, Ga.; Cliff C. Jones, Kansas City; Allan I. Wolff, Chicago; W. B. Calhoun, Milwaukee and C. L. Gandy, Birmingham.

E. L. Scheufler, Missouri insurance superintendent, brought greetings from his department. Judge W. E. Kemp, city counselor, gave the welcome for Kansas City. B. U. Sparlin, Springfield, president Missouri Association of Insurance Agents, spoke for the state body. Homer B. Mann brought greetings from the Kansas City Insurance Agents Association.

Past President W. H. Menn gave the response.

The music by Stanley Deacon and

The music by Stanley Deacon and chorus during the get-together dinner was sponsored by Business Men's Assurance of Kansas City which writes life, accident and health insurance. Its president, W. T. Grant, is one of the most distinguished citizens of Kansas City.

### Night on the Santa Fe Trail in Pageant Form

On Wednesday evening there was special entertainment for all hands, "A Night on the Santa Fe Trail." This was staged at Nafziger Farm, beyond the city limits in Johnson County, Kansas. There was given a real pioneer western pageant. This feature was sponsored by Kansas City's stock insurance companies: Central Surety, Employers Reinsurance, Kansas City Fire & Marine, Western Fire and Western Casualty.

The music and entertainment for the president's ball is being provided by

president's ball is being provided by American Automobile.

Will S. Keese, Chattanooga, former Tennessee president and now national councillor, attended the casualty con-vention at White Sulphur Springs and then trekked across country to Kansas

# Stresses Need for Making the Hour More Productive

W. E. Harrington Expounds Homely Gospel. Hits "Time Cheaters"

Some homely gospel that if taken to heart would make more money for any agent was expounded by W. E. Harrington of Atlanta, in his contribution to the "Pattern for Production" period

of the N. A. I. A. convention in Kansas City Monday morning. Mr. Harrington is a past president of the National associa-National associa-

An example of the down to earth nature of Mr. Harnature of Mr. Harrington's a dvice
was his reference
to the "time
cheater," the solicitor who instead of
"looking it up"
asks the clerk for the rate for \$50 deductible collision on a Chrusles of



ductible collision on a Chrysler sedan. This causes two people to do one job. The clerk is interrupted and both waste time in the ensuing conversation.

Mr. Harrington's talk was chock full

Mr. Harrington's talk was chock tuil of such plain, every day references in developing his theme that the agent's time and that of his staff must be made to produce higher returns with taxes going up, insurance rates going down and expenses on the increase.

"Within the hour of today," he observed "the gent must produce a sum

served, "the agent must produce a sum equivalent to that of several hours of yesterday."

### Cites Own Situation

Cites Own Situation

The uncontrollable increased expenses, such as social security and unemployment taxes, cost of wage and hour compliance of the Spratlin, Harrington & Thomas agency, he said, plus decreased commission income because of rate reductions exceeds \$20,000 as compared with five years ago. That difference can be made up only through better administration and increased per hour effort.

hour effort.

Every working hour in the agency, he said, costs \$30.24 and every minute 50 cents, exclusive of executive salaries. Every minute that is wasted is no less costly than to toss a 50 cent piece into

Mr. Harrington suggested that agents compare their costs with the (CONTINUED ON PAGE 64)







Elmo Johnson, Chicago, Allan I. Wolff, Chicago, past president National association, C. Stanley Stults, Hightstown, N. J., Hugh W. Wolff, now in the U. S. Army at Fort Leavenworth, son of Allan Wolff; Eric Rogers, Jonesboro, Ark.; Walter H. Bennett, secretary-counsel National association and President Payne H. Midyette, Tallahassee, Fla., at executive committee

el.

ken to

or any

ibution

period

10 de

sedan. e job. waste

k full es in gent's made

taxes down

e ob-

sum

rs of

l unand Har-

plus

cause

ough

per

aries.

Har-

# Purpose of V-Plan **Outlined to Agents** by W. H. Bennett

October 16, 1941

Program Should Coordinate All Constructive Ideas in the Business

Keynoting the theme of the convention, "The V-Plan for Insurance," Walter H. Bennett, general counsel of the National association, in his address Tuesday morning pointed out that in this time of world stress and uncertainty and of challenge to the agency system as an economic waste, "a constructive and continuing crusade is called for."

The theme was deliberately selected

because of the idea connected with the symbol. It has been widely publicized, and the V idea means something tending

and the V idea means something tending toward victory on the part of those trying to preserve the democratic way of life and personal liberty.

The plan must be far reaching, he said. Unless a business develops and puts into effect a continuing program for its own betterment and improvement, in these times public opinion or government will do it for the business.

Plan Is a "Crusade"

Plan Is a "Crusade"

The program must be in the nature of a crusade, he asserted. It is also "a dynamic program, a constructive plan, a vital aid, and a unified approach."

A program must be produced which will invite the attention and cooperation of all those willing to support what is worth while in the American agency system. Its objectives are so non-controversial all right thinking persons can subscribe to it providing they want to see the insurance business conducted properly and on the best principles, he said. In addition it should be a constructive plan in the interests of the public. The whole institution of insurance exists solely in the public interest; whenever the business fails in its public duty, then it fails as a constructive influence, he said.

he said.

This plan is also a vital aid to national defense, a thought appropriate at the present time. The defense program probably could not proceed without the protecting arm of insurance, he said. It also contains the thought of a unified approach to efficiency and service.

### Idea Coordination Needed

The next step is to get these ideas co-ordinated and integrated, Mr. Bennett said. Under the coordination and inte-gration factor may be included any number of non-controversial movements, such as business development, agency management, education, visual selling, public opinion, speakers' bureaus, buy-ers' clinics, local radio broadcasting, motion pictures, etc.

ers clinics, local radio broadcasting, motion pictures, etc.

As an illustration of the need for coordination and integration, Mr. Bennett cited a sizable amount of duplication of effort in the insurance business, carrying with it excessive expense. This does not apply to actuarial, engineering or rate making instrumentalities, but rather to movements designed to accelerate production and service. This is usually the work of an agency superintendent or an advertising department. A large volume of printed matter is constantly flowing from the companies to the agents. Good and valuable as it is, it produces a situation in which agents generally have not taken full advantage of the service because of the vast amount of material. This field of activity would appear to lend itself to coordination.

Tragic consequences result from the inspituted chown by the serveral parts of

Tragic consequences result from the ineptitude shown by the several parts of insurance in not being willing to think

# Committee Work Big Part of Association's Service

at any of the convention sessions, they are distributed to the membership at the are distributed to the membership at the time of the meeting, and there is considerable interest in them. They represent a good deal of work on the part of committeemen and serve to bring association members up to date on the various phases of association activities.

Because of the outstanding record in building membership of the association to a new high during the past year, particular significance attached to the an-

to a new high during the past year, particular significance attached to the annual report of that committee.

David A. North, New Haven, Conn., chairman, pointed out that the association ended its year with a new all-time high of 16,237 member agencies. This is well above the goal of 16,000 set by the association at the beginning of the year. It demonstrated that the leaders of the National and state associations have made those organizations so vital to the business that agents recognize membership in them as a necessary adjunct to the successful operation of an agency.

Following Sound Theory

Following Sound Theory

The results conclusively showed the soundness of the theory of the committee that membership can be built more firmly and rapidly through the continual functioning of a live unit than through sporadic or high pressure campaign postbade. methods.

methods.

Among the things apparent during the year, Mr. North reported, were that more local boards became coextensive, leaders of state associations developed more beneficial programs for members, and National association officers attacked their jobs with unceasing effort.

The achievement therefore is not that

alike or act alike on questions affecting the public interest and about which there should be no hesitancy or disagreement in the business's effort to clear up the mystery with which insurance is surrounded in the public mind. Doubt and fear are the great enemies of knowledge, and any encouragement of such mystery only serves to defeat the business's objectives.

jectives.
Such a movement as the V-plan is bound to create a fine, outstanding com-pany-agency relationship. That is only one of the many things it will accom-

plish.

Admitting that the National association is a constructive force in the business, Mr. Bennett said that such an organization cannot afford to stand still but must be constantly striving for betterment, increasing opportunity for service. The effect of the V-plan, it is hoped, will be to furnish a constructive and forward looking channel for the thinking of members and all other interests. It should prove a key to unlock the vast storehouse of a more abundant insurance life.

Reports of the various committee of the membership committee nor of any chairmen of the National association are particular group of individuals, but is an always a feature of the annual meeting, all inclusive attainment of the associa-While these are not presented formally tion as a whole. Following along lines particular group of individuals, but is an all inclusive attainment of the association as a whole. Following along line developed in this campaign, the next administration should go on to build an even greater and stronger organization. the report states.

### **RURAL AGENTS REPORT**

The purpose of the rural agent's committee, Chairman Alex H. Case of Marion, Kan., reported, has been to lend further assistance and encouragement to rural agents' activities in the various state associations. At the same time each committee member has attempted to establish facts regarding particular subjects assigned at the start of the

Members of the committee have been Members of the committee have been seeking cooperation of company organizations to meet the need for additional coverages, amended rules and broadened forms. As more and more facts are compiled, the committee hopes it can, with company officials, develop corrective measures and methods of uniformity that will "make," not "meet," competition in rural areas.

Since the California farm rating plan was discussed at Oakland, H. T. Thielen, Sacramento, has written other farm rating organizations explaining it.

rating organizations explaining it. Undoubtedly the principle of individual risk rating and other ideas in the plan would be beneficial to other parts of the country, Mr. Case's report stated, and this idea is to be pursued further.

### Questionnaires Valuable

Dwight R. Peel, who recently went with the Kentucky insurance department, sent out a questionnaire on coopment, sent out a questionnaire on cooperative tendencies of farm organizations and received 14 replies, along with some excellent suggestions on the subject. Another member of the committee, Howard Bradshaw, issued a questionnaire on rural casualty insurance and received replies from 30 states that were enlightening. The information from these studies will be used by the rural agents committee in conferences with company organizations.

company organizations.

Other members of the committee have been busy. H. C. Arnall, Newnan, Ga. has kept in close teuch with W. T. Reed, assistant counsel of the Washington ofassistant counsel of the Washington of-fice, on governmental problems affecting rural agents. Arthur Reidel, Pompton Lakes, N. J., is cooperating with George W. Scott, educational director, on an educational program aimed at and for rural agents. W. F. Flautt, Tutwi-ler, Miss., has been conducting a survey on mercantile rates, rules and forms. F. J. Marshall, East Aurora, N. Y., has done good work on rules and rate changes, and A. J. Peters, Issaquah, Wash., has been working on fire preven-tion, protection and control. tion, protection and control.

(CONTINUED ON PAGE 68)

# Midyette Promises **Action on Survey** of Branch Offices

Recalls Oakland Mandate, Recounts All-Time Records in Administration Report

In his report of the administration of the National Association of Insurance Agents, President Payne H. Midyette, Tallahassee, Fla., said that the branch office survey undertaken during the past year has been completed and is being studied by the executive committee. He reminded the members that the mid-year convention at Oakland voted that the stock companies should be queried on their position and policies toward branch offices as soon as the survey was com-pleted and the administration in posses-

pleted and the administration in possession of sufficient information, and said that possibly the executive committee will be able to present its findings and conclusions at the present meeting.

Mr. Midyette said that the past year established a number of all-time high records for the National association, including a new membership record, a clean financial slate on the part of state associations, the largest number of coclean financial slate on the part of state associations, the largest number of coextensive local boards, the inauguration of an educational plan, participation in a rejuvenated Business. Development Office, the largest volume of correspondence with its members and the largest number of component units. There are now 47 state associations, as well as affiliated associations in the District of Columbia and Hawaii. Only the Ohio association is outside the fold.

### Mutual Tax Issue

An important resolution at the Oakland convention called for equalization of the tax burden between stock and mutual companies, the resolution pointing out that national defense creates heavy obligations and these burdens should be spread equally. Mr. Midyette said that the recently enacted tax bill, the largest in the history of the country, does not equalize insurance taxes but does not equalize insurance taxes, but it is reported that the Secretary of the Treasury will soon request this of Con-

Due to the importance of activities at Washington, Mr. Midyette repeated the recommendation he has made at a number of state association conventions that a unified Washington office, representing companies and agents, should be established. Fire companies, casualty companies and agents have separate of-fices, but these should be coordinated in order to convey to government offi-cials the conviction that the institution

(CONTINUED ON PAGE 60)





Milton W. Mays, New York, director and F. W. Westervelt, New York, assistant director Business Development Office; J. B. Miller and George du R. Fairleigh, assistant secretaries National association.

# Four Hotels Used, Agents Walk for Hospitality

Company headquarters at the convention of the National Association of Insurance Agents at Kansas City established a new record for area spanned. The a new record for area spanned. The number of headquarters was at least number of headquarters was at least equal to that at any previous meeting and the comparatively small size of the Kansas City hotels made it necessary for four places to be utilized as headquarters. They were the Muchlebach, Phillips, Continental and President.

Philips, Continental and President.

While a respectable number of headquarters were established at the Muehlebach, several companies did not even
try to get in there, recalling the complaints made at Oakland last spring that
their reservations had seriously inconvenienced agents. The other three hotels were close at hand and the short
walk did not seem to harmer attendance. walk did not seem to hamper attendance.

walk did not seem to hamper attendance.

America Fore, 941 President, had a big contingent from New York: Louis P. Jervey, vice-president; F. S. Ennis, manager of advertising and publicity; F. E. O'Brien, secretary; A. H. Derbyshire, and DeMott Belcher, assistant secretaries; H. E. Soward and E. H. Luecke. From Chicago: E. A. Henne, vice-president; J. H. Macfarlane, secretary; L. J. Feeney, A. G. Gabrielson, and C. J. Lingenfelder, assistant secretaries; James E. Guy, automobile manager. From St. Louis; J. H. Belden, resident manager Fidelity & Casualty, and E. C. Kottmeier, assistant. America Fore did not furnish refreshments in its headquarters rooms, but on Tuesday before the get-together dinner, the group was host at a cocktail party at the Kansas City Club.

Atlas and Albany, 1817 Phillips, had

Atlas and Albany, 1817 Phillips, had Ed M. Schoen, western manager, Chi-cago, and E. B. Swietz, Missouri state agent, acting as hosts.

agent, acting as hosts.

The Meserole group, 834 Muchlebach, was in charge of Franklin J. Pocquette, western field representative, and had these officials on hand: President A. E. Heacock, Vice-presidents L. G. Amerman and R. S. Oellers, Frederick Van Voast, inland marine underwriter, and John Beddingfield, Ohio state agent

National Surety maintained headquarters with A. L. Carr, vice-president and production manager, and Sherman Drake, vice-president, in charge

Actna Fire and Century Indemnity sent Actna Fire and Century Indemnity sent a delegation from the home office, including G. G. Quirk, secretary of the fire companies in charge of the marine department; Frank G. Bush, vice-president Century Indemnity, and F. Sidney Holt, advertising and publicity manager. From the western department at Chicago came Manager W. N. Achenbach, W. J. Tippery, assistant manager, and Russell West, western manager Century Indemnity. demnity.

demnity.

Standard Accident maintained large and popular headquarters, presided over by Vice-Presidents R. H. Platts and H. J. Mullen from the home office at Detroit. H. A. White, superintendent of agents, and H. E. Decker, assistant superintendent of agents, also came from the home office

H. A. Yates, vice-president, and K. F. May, assistant secretary, came from Pittsburgh to represent National Union's home office at its headquarters, accompanied by F. J. Shields, marine manager at Chicago.

C. Claussen, western department man-ager London & Lancashire, Chicago, and J. M. Fraser, western manager London & Lancashire Indemnity held open house for those companies.

The aggregation from Hartford Fire and Hartford Accident is always an impressive one. For Hartford Fire, from Hartford, were W. S. Vanderbilt, secretary, and George Atkinson, secretary, From Chicago were Clem E. Wheeler, western manager; J. Wiley Burden, Earl Whitcomb and L. E. Grigsby, assistant managers, and W. H. Birkemeier, superintendent of underwriting. From Atlanta were John Ledbetter, associate manager, and Manley Stockton, assistant manager. Hartford Accident had Frank McVicar and Al W. Spaulding, secretaries, Hartford, and J. W. Reitze, assistant manager; E. A. Finn, superintendent of an automobile department, and Charles Dubach, superintendent of production, all of the Chicago office. aggregation from Hartford Fire

Holding out the latchstring for Spring-field F. & M. were Grant Bulkley, vice-

president, and Charles E. Leamy, secretary, of the home office; M. E. Peterson, secretary; E. G. Frazier, vice-president; E. J. Hepp, assistant secretary, Chicago.

Actina Casualty headquarters were always well filled. The home office contingent included C. B. Morcom, and C. G. Hallowell, vice-presidents; E. C. Knapp, agency secretary; F. W. Potter, field supervisor, who was on the convention program; S. F. Withe, publicity and advertising manager, and E. J. Perrin, Jr., vice-president Automobile.

American Automobile maintained head-quarters, with Otto Patterson, executive vice-president; C. S. Cotsworth, superin-tendent of agents; Carlton Hines, vicepresident, all from the home office; L. H. Antoine, St. Louis branch manager, and C. E. Mavis, Kansas City branch manager, in attendance.

ager, in attendance.

D. F. Cox, Jr., and S. W. Carey, 3rd, vice-president, New York; H. M. Angell, Chicago manager, and J. A. Eckstein, assistant manager at Chicago, were on hand for Appleton & Cox.

Phoenix of Hartford—U. M. Lelli, general agent, Chicago; Frank Beazley, San Francisco, Pacific Coast manager.

Western Casualty and Western Fire featured R. B. Duboc, president; E. C. Gordon, secretary-treasurer; Ralph L. Blum, vice-president; W. P. Sweet, vicepresident.

Central Surety headquarters were staffed by R. E. McGinnis, president; P. H. Hawes, agency director; G. W. Dyer, automobile superintendent; H. P. Linn, first vice-president; L. A. Stewart, superintendent compensation department.

Kansas City F. & M. headquarters featured O. P. Rush, vice-president; while from the R. B. Jones & Sons' office there came C. R. Cloon, secretary; M. T. Jones, came C. R. Cloon, secretary, came C. R. Cloon, secretary managing director; C. C. Jones, pre-managing director; C. C. Jones, chairman; C. dent: R. B. Jones, chairman; C. W. S. Mann, Jones, president; R. B. Jones, chairman; C. W. Jones; Moulton Green, W. S. Mann, J. B. Sydner and J. W Starn, vice-presi-

U. S. F. & G. had a lively headquarters room, with J. Dillard Hall, agency director, C. B. Gamble, vice-president F. & G. Fire; Harry Helm, assistant secretary, and O. R. Leeds, Kansas City manager, welcoming friends

Chubb & Son headquarters offered J.
L. Harbeck, New York; J. M. Leroy, New
York; Thomas Dew, U. S. Guarantee, New
York; H. W. Klages, Chicago, and Godfrey Weston, Chicago

President Howard Flagg greeted visresident Howard Flagg greeted visitors at the headquarters of Employers Reinsurance. Virtually the entire official staff were in evidence at one time or another, including J. B. Robertson, executive vice-president and Vice-presidents J. W. Smith and F. F. Proper.

C. W. Ohlsen, western manager, and John Chickering, agency superintendent, greeted at Sun's headquarters.

On hand to greet agents of Norwich Union were U. S. Manager W. M. Frink and K. S. Ogilvie, western general agent.

Home of New York's popular and crowded headquarters were manned by Ivan Escott and George E. Allen, vice-president; Leonard Peterson, secretary; Ross Green, advertising manager, and L. V. Grady, assistant secretary Home Indemnity.

G. A. Smith, assistant superintendent of agents, and W. E. Kraft, secretary of the surety department, came from the home office of Continental Casualty.

Vice-president W. T. Harper and Assistant Vice-president H. C. Michael came from the home office of Maryland Casualty. They were assisted by J. I. Barton and H. A. Martin, resident vice-presidents at Kansas City and St. Louis. R. L. Safford, vice-president, and T. J. Butler, superintendent of sepancies. Travelled to five presidents.

superintendent of agencies. Trav-Butler, superintendent of agencies, Travelers Fire, and S. B. Perkins and Harry Anderson, secretaries; Harry Leavens, assistant superintendent of agencies; J. H. Eglof, director of field service, and D. L. Buck, special service department, came from Hartford to greet visitors at Travelers headquarters.

Crum & Forster had large headquarters in the Continental, with W. A. Seely, assistant western manager at Freeport, III., in charge, assisted by C. G. Thro, agency superintendent. H. F. Hines, joint manager at Atlanta; Horace Maltby, Denver manager; G. W. Unverzagt,

### Pennsylvania Leader Is Resolutions Chairman



W. RAY THOMAS, Pittsburgh

Pittsburgh manager, and W. C. Fiano, agency superintendent at Pittsburgh, were also present.

J. R. Robinson, New York, assistant United States manager **Phoenix of London**, greeted visitors at headquarters, assisted by A. C. Hoberg, western department general agent, and D. H. Davies, inland marine manager.

Anchor Casualty maintained headquarters in charge of Henry Guthunz, Jr., executive vice-president, and R. T. Rooch, assistant vice-president.

From the Commercial Union United States head office at New York come O. C. Gleiser, assistant U. S. manager; Louis Mickelsen and D. W. Florence, secretaries; A. H. Stofft, associate agency department manager, Ocean Accident, and D. L. Royer, chief engineer.

Ralph Bugli, advertising manager, represented the United States head office of London Assurance. He was assisted by G. J. Giersberg, state agent, and W. W. Waggoner, special agent, both from Kansas City.

North British took over the penthouse in the Muehlebach and its headquarters are as large and popular as ever. U. S. Manager C. F. Shallcross arrived on Monday, heading a large New York delegation, which included Assistant U. S. Manager John L. Mylod, Secretaries A. W. Barthelmes, A. E. Lehman and H. B. Standen, W. R. Kirk, agency superintendent, and W. J. Traynor, advertising manager, w. F. Sweazea, Cook county manager, and P. J. Moriarty, former Wayne county manager, came from Chicago and Detroit, respectively, to greet their agents. Visitors were presented with souvenir notebooks and pocket cases containing a comb, mirror and nail file. North British took over the penthouse

M. H. Grannatt and E. W. Hotchkin, assistant U. S. managers, presided over the large Royal-Liverpool headquarters. J. L. Erhardt, executive regional manager, Clark Smith, assistant manager brokerage department, Shelby Holmes of the general cover department, Thomas Bean, production manager Royal Indemnity, and M. W. Slawson, production manager Eagle Indemnity, came from New York. John Bosdett and Wells King, regional managers at Kansas City and Omaha, respectively, were on hand with their local field forces. M. H. Grannatt and E. W. Hotchkin.

### Denver Bids for Convention

Denver is the only city that is seeking the 1942 annual convention. Atlantic City is slated for the 1943 annual gathering. The 1942 midyear meeting will be at Augusta, Ga.

### America Fore Directory

America Fore got out its directory of registrants at the convention, showing hotel and room number, which was published Tuesday. Frank Ennis, advertising manager, compiled the publication, which has been a popular feature for a number of years.

# **Joint Contribution Principle in Bond Field Reaffirmed**

### W. H. Stewart Discusses **Activities of Surety** Committee in Report

The principle of joint contribution by company and agency interests in any rate adjustment in the surety field was strongly reaffirmed in the report of the surety committee prepared by W. Herbert Stewart of Stewart, Keator, Kessberger & Lederer, Chicago, chairman of the surety committee. Reiteration of this principle, which Mr. Stewart successfully effected with the companies several years ago, and largely as a result of which he was awarded the Woodworth trophy in 1937, came up in connection with his discussion of com-mission acquisition cost on shipbuilding, airplanes, supply and advance payment bonds.

After the acquisition cost conference

Ment bonds.

After the acquisition cost conference on fidelity and surety had fixed acquisition on these bonds in accordance with a graded formula, depending upon the size of the premium, the surety committee was asked by the companies to recommend to the N.A.I.A. executive committee approval of this action, so that there would be a unanimous conclusion on part of all interests.

But the executive committee of the association said: "We are willing to discuss with the companies at any time the principle of joint contribution, whether emergency exists or not, where the companies and ourselves contribute an equal percentage from their loadings for overhead and acquisition and which contributions are to be reflected in the rates." flected in the rates.

### Suggests Review of Matter

"As this is an emergency program subject to a review of 18 months, your committee has taken no further action but recommends that the matter be reopened at the end of 18 months," Mr. Stewart said in the report. Mr. Stewart said in the report. Stewart said in the report. Mr. Stewart pointed out that the action taken by the acquisition cost conference resulted in a reduction in commission, which was reflected in the rate, leaving the companies the same net premium. This plan did not provide for any contribution by the companies.

Mr. Stewart also repeated the contention of the committee that fidelity blanket bonds should bear the standard fidelity commission as set up by the

blanket bonds should bear the standard fidelity commission as set up by the acquisition cost conference on fidelity bonds. The surety committee has suggested a graded commission on these bonds, with payment of a larger combonds, with payment of a larger com-mission on small premiums. The un-certainty as to what should be the breaking points or brackets for graded commissions still exists. The compa-nies were to prepare statistical informa-tion so that all interests could intelli-gently decide the breaking points. The conference has advised the surety com-mittee that the figures compiled on these bonds were not complete and that the gradation plan for these special these bonds were not complete and that the gradation plan for these special forms cannot be considered separate and apart from the general program, which must be finally determined by the basic principles and practices as may be agreed upon between the N.A.I.A. and the committee of the Association of Casualty & Surety Executives.

In the meantime, the surety commit-tee requested that the conference fix commission on the bonds at standard fidelity commission and leave gradation

(CONTINUED ON PAGE 62)

ses

ion by
in any
id was
of the
. HerKessairman
iion of
t sucpanies

a red the up in com-

buildpay-

erence

equisie with on the comies to cutive on, so

f the

time time ution, where ntrib-

their sition e re-

your ection e re-Mr.

taken

e ression, aving nium. con-

ntenlelity tandy the lelity

sugthese comunthe

aded nparmatelli-The

on that ecial

rate ram, by

Asecumitfix SALUTE

As this goes to press, thousands of Insurance men are meeting in Kansas City in the great Convention of the National Association of Insurance Agents. They are the advance line in the business, producing the vast volume in which we share as Reinsurer in Casualty lines.

We salute this army of Specialists in service to American business, and are gratified to have a part in entertaining them in Kansas City. Our best wishes go with them as they return to their homes and their work.

EMPLOYERS REINSURANCE CORPORATION

Howard Flagg - President

## Potent Weapon of Protection

John H. Eglof, at Liability Forum, Tells Value of Comprehensive Form

modern. streamlined insurance "A modern, streamlined insurance program keyed to a modern age"—thus did John H. Eglof describe the comprehensive liability policy in a speech delivered Wednesday afternoon. Mr. Eglof, supervisor of agency field service of Travelers, shared the discussions of a forum on comprehensive liability insurance

Mr. Eglof decried any tendency on the part of producers to be complacent because of the attractiveness of their product, however.

pecause of the attractiveness of their product, however.

"It will still take salesmanship," he declared, "to get your share of the business. There never has been and there never will be a substitute for salesmanship. Nuggets don't roll out of the hill-side into the miner's lap."

Comparing the comprehensive form to a Garand rifle which, when taken to pieces, is simply a collection of valuable but not formidable parts, but which, when assembled, is a most powerful weapon, Mr. Eglof asserted: "There you have a good illustration of the comprehensive liability policies. Separately each policy is an integral part serving its specific function but without maximum efficiency until all possible hazards to a risk are covered. Take each policy needed by a risk, weld them together in a comprehensive covthem together in a comprehensive coverage, limiting exclusions to a minimum and adding automatic coverage for any new venture an insured may care to undertake and you have one of the most potent weapons for protection ever afforded a risk."

ever afforded a risk."
Briefly tracing the development of liability insurance in the United States from its beginning in 1885, Mr. Eglof emphasized that "in our eagerness to praise the comprehensive policies we should not criticize the schedule poli-

cies. They are a logical development in the field of liability insurance and are all right as far as they go, or I should say, they're all right as far as the producer takes them. If there is a



JOHN H. EGLOF

meeting of minds between the buyer, the producer, and the carrier as to the coverage required to take care of a risk's liability needs, schedule policies can be written in one company which will provide almost the same coverage as comprehensive policies. It is well to keep this point in mind; all we do under comprehensive policies is to look

at the risk's liability insurance needs at the risk's liability insurance needs individually and then tie them in a package through the use of the 1 percent string. It is this survey plan that ferrets out a risk's needs and in combination with the 1 percent string does the job as it should be done. There is still a field for schedule policies but they should be sold to fit a risk's liability insurance needs and not for the purpose of giving some protection when pose of giving some protection when comprehensive coverage should have been recommended."

### Sales Procedure Suggested

Turning then to a discussion of how comprehensive liability insurance should be sold, Mr. Eglof enumerated principal advantages of the form which a producer should point out to prospects. They are:

Policies are broad inclusive contracts

with underwriting qualifications in the way of exclusions reduced to a minimum.

minimum.

Dividing lines between specific peril coverages are eliminated. The insured doesn't have to wonder where one coverage begins and another leaves off.

Possible loop-holes between specific coverages afforded by one company and other specific coverages afforded by

afforded by specific coverages another company are avoided.

### Policies Completely Automatic

Policies are completely automatic in their application to additional hazards and exposures during the policy period, except with respect to certain uses of automobiles and certain forms of contractual liability.

The coverage being broad and inclusive, statement of coverage is correspondingly simple.

The policies enable the insured to buy liability insurance instead of insurance on specific hazards which may or may not be the cause of subsequent loss. Policies are completely automatic in

loss.

The use of the policies enables the insured to review his liability needs at one time and in their entirety. Having done this he doesn't have to be both-

# **Broadcast Defense**

Three past presidents of the National Association of Insurance Agents—William H. Menn, Los Angeles, Sidney O. Smith, Gainesville, Ga., and Clyde B. Smith, Lansing, Mich.—were featured in an NBC broadcast Sunday afternoon.

It was originated over station WDAF, Kansas City, as one of the regular "National Defense Question Box" series.

The broadcast took the form of a round table discussion, the speakers outlining the defense activities in their sections of the country and pointing out. sections of the country and pointing out the services of insurance in protecting property and removing risks from the manufacturing processes and the flow of materials and finished goods.

ered again during the year in further review of his insurance needs. There are a great many different

There are a great many different rules and coverages in the various manuals. The producer is protected against overlooking any of these rules and coverages when he offers comprehensive liability policies. The insured is accordingly protected against any oversight on the part of the producer. The producer and the producer is to assist the producer and the survey is to assist the producer and the company in obtaining a complete record

of all exposures.

The insured can fix responsibility one producer in connection with his liability insurance. The comprehensive policies give the producer that oppor-

On Tuesday there was a luncheon meeting of the advisory committee of the National association with W. H. Menn of Los Angeles presiding. This committee consists of the ex-presidents. Some subjects may be referred to them by the executive committee or the committee may originate some recommendations of its own. It has no preserved tions of its own. It has no pre-arranged agenda.



### WE PLEDGE OUR COOPERATION

In its Forty-Sixth Year, the National Association of Insurance Agents will face many problems. We pledge our cooperation in their solution.

One important and immediate task for each Agent is to see that his clients' coverage keeps pace with sharply rising replacement costs. Our fieldmen will assist you.

> The London & Lancashire Insurance Co., Ltd. Orient Insurance Company of Hartford Law Union & Rock Insurance Co., Ltd. Safeguard Insurance Company of New York Standard Marine Insurance Co., Ltd., (Fire Dept.) London & Lancashire Indemnity Co. of America

e

ational
—Wilney O.
rde B.
atured
rnoon.
DAF,
"Naries.
of a

"Naries.
of a eakers
their
ng out
ecting
the
flow

ferent mangainst and chened is over-. The d the record ty on is lia-

cheon ee of 7. H. This dents, them comendainged



# "THE RACE IS ON!"

You'll profit, with American Motorists in your agency now, more than ever before.

There's new business, good business, to be had on all sides. Not all of it is due to the defense boom. New laws and new needs are arising, which are creating thousands of sources for insurance sales.

Are your hands free for these new profits?

If you could offer your policyholders the American Motorists Plan (which has always saved money for AMICO policyholders) to help you keep them in your fold thru renewal after renewal without the old time-wasting re-selling each year—

You'd *have* the time to capture a lot of this new business by offering American Motorists to today's discriminating, profit-wise prospects.

If you want a LIVE connection for automobile and general casualty business—with a background of security and good management second to none—find out about the American Motorists franchise in your community. Write on your letterhead, today.



# Was a Varied One

### Particular Interest Was Taken in the Afternoon Forum Discussions

On Wediesday the third convention session was held with President Mid-yette presiding. The first feature was a news reel in which outside leaders of news reel in which outside leaders of thought paid tribute to the insurance business and analyzed the opportunities ahead. It was entitled "Seventy-Five Years of Service—a Report to the American People." It was shown with the courtesy of the National Board.

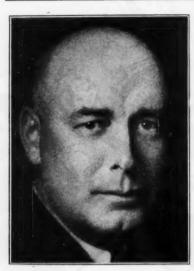
American People. It was shown with the courtesy of the National Board.

Commissioner C. F. Hobbs of Kansas, president of the National Association of Insurance Commissioners, brought greetings from that body. There were two set addresses, one by W. A. Sullivan, insurance manager Loose-Wiles Biscuit Company of Kansas City on "The Insurance Buyer Looks at the V-Plan for Insurance." Mr. Sullivan served as chairman of the insurance division of the American Management Association and is one of the well informed insurance buyers of the country. The second address was by G. W. Scott of New York City, director educational division National Association of Insurance Agents, on "A Grass Roots Program of Insurance Education."

### State Association Officers Meet

At noon there was the annual luncheon meeting of state association officers with the national councillors as guests. Sidney O. Smith, chairman executive with the national councillors as guests. Sidney O. Smith, chairman executive committee, presided. Chairman C. S. Stults of the finance committee gave his report. There were three other items on the agenda. The first was municipal and other public property insurance.

### Wednesday Program Past Presidents in Action







W. H. MENN, Los Angeles

Mr. Liscomb, a past N. A. I. A. president, will install the new officers Thursday ternoon. Mr. Menn, also a past president, responded to the greetings at the banquet fternoon. Tuesday.

third, accident prevention work.

The afternoon was taken up with the simultaneous forum discussions. H. N. Mann, Tacoma, Wash, presided over one where comprehensive liability was discussed. Sidney O. Smith was the chairman of the forum devoted to fire and allied lines and L. E. Kietzman, secretary American of Newark, was discussion leader. Vice-president R. W. Forshay had charge of the accident and health and fidelity bond forum. W. Herbert Stewart of Chicago was the leader

Next was regional associations and the in the discussion of fidelity blanket third, accident prevention work.

C. Stanley Stults of Hightstown, N. J., chairman of the finance committee, attended most of the sessions of the executive committee.

The registration began Sunday morning in the main foyer of the Municipal Auditorium. H. S. Nelson is chairman and C. M. Singleton vice-chairman of the registration committee, with Miss Louise Price of the Kansas City Insurance Agents Association looking after the details.

### Insurance Women of K. C. Honor Mrs. Mayer, Hear Dauwalter on Defense Work

The Association of Insurance Women of Kansas City was quite active during the National association convention, en-tertaining Mrs. Elsie B. Mayer of Den-ver, president of the national group, at a breakfast and tea Sunday, and holding a dinner meeting Monday at which F. S. Dauwalter, assistant manager National

### Tells National Board Program

Mr. Dauwalter recited how well equipped is the National Board to aid the government in the present emer-gency, with regard to fire prevention, engineering, etc. It has 400 cities under constant survey, checking water supply, alarm systems, fire fighting equipment, etc. Five of its men are in supply, alarm systems, fire fighting equipment, etc. Five of its men are in Washington, two with the War and three with the Navy departments, consulting and advising on all defense projects. Other of its men are devoting part or all of their time to cooperation with the defense program. The board has completed 200 original reports on army projects. 100 on payed properties army projects, 100 on naval properties. In addition, he said, this service is being extended to 125 shipyards.

### Big Attendance

Miss Louise Price, president of the Kansas City group, was in charge of the dinner. More than half the Topeka association, 37, attended, along with representatives of many other local organizations over the country. About 200 attended the dinner.

Other Kansas City insurance women active in the program for Mrs. Mayer and the dinner were Miss Lulu Stanfield, Miss Merle Webster, Miss Beulah Wilson, Miss Grace Berkley, Mrs. Mary McGraw, Mrs. Inez Hucke, and Miss Frances Kypke.

N this forty-fifth anniversary of the founding of the National Association of Insurance Agents, the Massachusetts Bonding and Insurance Company extends its congratulations to that organization and its best wishes for continued growth in the years to come.

Congratulations and good wishes are likewise extended to the management and operating staff of the National Underwriter, which now also celebrates the completion of forty-five years of meritorious work in the field of insurance journalism.

Since forty-fifth anniversaries seem general it is, perhaps, appropriate to indicate that the president of this company is himself now in the forty-fifth year of active work in the insurance field and is, therefore, well informed as to the progress made over the years by both the institutions referred to.

All of us, Agents, Insurance Press and Companies, have a very real responsibility in our respective fields, but we face the future, whatever it may be, with confidence that, working in a common cause, we shall be equal to the demands made upon us and uphold the standards of the great institution of insurance.

### MASSACHUSETTS BONDING AND INSURANCE COMPANY **Home Office: Boston**

10 Post Office Square

T. J. Falvey, President

Surety and Casualty Lines Throughout the United States

1941

C.

to aid emer-ntion, cities water hting are in conprojration board ts on erties. is be-

f the ge of opeka rep-or-

layer field, Wil-Mary

Miss

Vork omen luring n, en-Den-ONE POLICY up, at olding F. S. tional

INSURANCE POLICY

. if you follow these J steps

Through a friendly interest in your client's insurance needs, and the arrangement of coverages that are written to meet his particular requirements, you will become known as a dependable agent or broker . . .

When you deliver a policy explain its conditions in plain, simple English ...

And this is important too, place the risk in a strong, reliable company—like one of the Fireman's Fund Group.

Automobile . Marine



Casualty . Fidelity . Surety

Fireman's Fund Insurance Company - Occidental Insurance Company Home Fire & Marine Insurance Company Jireman's Jund Indemnity Company - Occidental Indemnity Company

SAN FRANCISCO

**NEW YORK** 

CHICAGO

BOSTON

# N.A.I.A. Proposes **National Education Program for Agents**

### Scott Presents Plan Which Would Reach Agents in Own Locality

A long range program that will provide agents a comprehensive and practical education in insurance was outlined at the Wednesday morning session by George W. Scott, director of the educational division of the National asso-ciation, in his talk on "A Grass Roots Program of Insurance Education."

To be worth while, such a program must be uniform in nature, nationwide



GEORGE W. SCOTT

in scope, practical in application, proin scope, practical in application, progressive in subject matter, comprehensive in design and high in standards, he said. It may also serve as preparation for that portion of the comprehensive examinations dealing with technical insurance subjects, contemplated for applicants for the professional designations to be awarded by the proposed American College of Property & Casualty Insurance. alty Insurance.

Mr. Scott does not see this as too big an order for the National association. He pointed out that the cleaners and dyers devote 528 hours to their educational program, laundrymen 1,200 hours, bakers more than 1,000 hours, heating and piping 720 hours, and bankers begin with 680 hours of organized study.

### Reaches Agent's Own Locality

Aimed to reach agents and agency employes countrywide, it is imperative that the program be made available to them in their own communities, Mr. Scott recommended that local study groups be established in every community with a minimum of 15 students voluntarily agreeing to participate. In the

nity with a minimum of 15 students voluntarily agreeing to participate. In the
less populated areas such groups could
be established at a central point, such as
a county seat, for classes. He suggested
a two hour class session on the same
night each week, and recommended that
instructors handle assignments more as
discussion leaders than lecturers.

While the National association would
provide full outlines for guidance, the
discussion leader would be free to develop his subject in his own words within the scope of the subject matter. While
outlines would be uniform as to each
state they would be modified or changed
to fit conditions in different states.
Questions from the class would be encouraged.

Questions from the class would be encouraged.

The outline will be designed to produce a full discussion of "what it is" and to a more limited extent, "to whom it can be sold and why." Standard equipment will be sample policies and rate manuals applicable to coverages being studied. Each coverage will be

handled on a case history basis in dis-cussion so that it will be analyzed as the agent would explain and sell it to a typical assured.

Discussion leaders will be experienced local agents, competent state and special agents, outstanding adjusters where available, and occasionally home office specialists.

### Would Require 100 Hours

The courses would require a total of 100 hours of class room attendance, with a 16 hour unit devoted to fire and allied a 16 hour unit devoted to fire and allied lines, eight hours to inland marine, 16 to automobile, fire and casualty; 20 hours to business, professional and personal liability lines including workmen's compensation and employers liability; eight hours to burglary, theft and robbery; eight hours to fidelity and surety, four hours to steam boiler and machinery, and two hours each to accident and health and plate glass insurance. The remaining 16 hours would be spent on such subjects as agency management, premium financing, advertising and public relations, survey selling and state insurance laws. nsurance laws.

insurance laws.

The National association will award a certificate to students completing the 100 hour course satisfactorily.

"Local option" will permit flexibility. For instance, the local group may desire to complete the course in one school year, with two hour classes twice a week for 25 weeks, or take two school years for completion. The order of the various subjects can be decided by the local group. The program can be adapted to the situations of local groups that already have some form of educational procedure in motion. Local or statewide preference will be the determining factor in selecting the particular medium used to obtain the 100 hour objective.

### Examinations on Each Subject

Mr. Scott suggested a system of examinations after each subject has been treated, with a minimum average grade of perhaps 70 percent.

After the first 100 hour course, it is proposed that another of 100 hours be proposed that another of 100 hours be developed as an extension of the program. A third and more advanced course of another 100 hours could be made available at a future date if need and demand for it exists. In a second course selective courses could be introduced to meet specialized needs of a section or a state. For instance, the middle west would be interested in farm insurance, while seaboard cities might want ocean marine coverage treated. There would be a new certificate for those who complete the second course.

### Seminar Type of Activity

Another suggestion is a post graduate or seminar type of activity for agency heads and the experienced senior agency employes, without certificate requirements or rewards. Possibly these leaders could meet three or four days, possibly at a state university, for a conference on important changes in the business during the past year, discussion of such problems of vital interest as cost plus a fixed fee contract, the added importance of U. & O., steam boiler and machinery insurance as a result of defense, etc. They would treat also at some length sales problems and special methods of sales presentation. Possibly survey selling and analysis might be featured, with surveys of complete insurance requirements in typical banks, manufacturing risks, private residences, etc.

### Would Be Self Supporting

Mr. Scott noted that operating costs of the educational division of the National association have been underwritten by the National Board and the Association of Casualty & Surety Executives up to this point. While company organizations have offered to make financial contributions during the development stages of the proposed program. opment stages of the proposed program, they believe it should eventually become as self supporting as possible. It has been suggested that a fee of at least 10 cents per hour per student be collected by the National association, which would



David A. North, New Haven, Conn.; L. W. Garlichs, St. Joseph, Mo.; Terrell Woosley, Lake Charles, La., getting a hasty meal between sessions of the executive

place the cost on those getting the benefit, and put the program on a pay-asyou-go basis. He recommended that a local study group committee be formed to supervise the program in each class center and draw up a budget so that an adequate registration fee could be collected to cover necessary expenses. The educational division would be prepared to assist in budgetary procedure and handling organization details.

Mr. Scott urged agents to proceed slowly with the program, and individual state association upon the four or five states and each classes, in a large city, medity, small city or town, and The program is not of a lends itself to blitzkrieg medication, but the road should if local agents and employes a coordinated, unified manner.

slowly with the program, and suggested

slowly with the program, and suggested individual state association units experiment with four or five study group classes, in a large city, medium sized city, small city or town, and rural area. The program is not of a type that lends itself to blitzkrieg methods, he said. There is no short cut to insurance education, but the road should be easier if local agents and employes proceed in a coordinated, unified manner under the National association between

### Now Available

# NATIONWIDE FIRE PROTECTION SERVICE

# for Agents and Brokers

Agents and Brokers who control and solicit large lines can now offer assureds a most complete and nationwide fire protection, engineering and inspection

Your assureds are more interested today than ever before in preventing loss to their property. Without priority it may take a year or longer to replace damaged buildings and equipment.

Agents and Brokers—Avail yourselves of our nationwide engineering and inspection service. All reports of your risks are made out in the name of your firm. Before renewing or soliciting any large account you are invited to consult with us without charge.

# ALLEN E. HENDRICKS

Fire Protection Engineering Service

**NEW YORK** LOS ANGELES BIRMINGHAM

HOME OFFICE 43rd Floor, Board of Trade Building Chicago, Illinois

Cerrell

cutive

gested xperigroup

area that rance easier eed in er the October 16, 1941



FIRE . MARINE . CASUALTY . SURETY

# Great American Group of Insurance Companies New York

**NEW YORK** 

CHICAGO

MONTREAL .

SAN FRANCISCO

AGENTS EVERYWHERE

### GREAT AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. . Incorporated 1872

### GREAT AMERICAN INDEMNITY COMPANY

NEW YORK, N. Y. . Incorporated 1926

### AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. . Incorporated 1897

### ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. . Incorporated 1928

### **DETROIT FIRE & MARINE INSURANCE COMPANY**

DETROIT, MICH. . Incorporated 1866

### MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. . Incorporated 1910

### THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. - Incorporated 1868

### COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. . Incorporated 1832

### THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. . Incorporated 1914

### DIRECTORS GREAT AMERICAN INSURANCE COMPANY

DANIEL R. ACKERMAN . . New York City | Vice-President and Secretary, Great American Insurance Company

EARL D. BABST..... New York City Chairman of the Board, American Sugar Refining Company

H. DONALD CAMPBELL New York City President, Chase National Bank of New York

ARTHUR O. CHOATE . . . New York City Clark, Douge & Co.

JOHN M. DAVIS...... New York City
Chairman of the Board. Delaware, Lackawanna
Western Railroad Co.

Western Railroad Co.

LOUIS W. DOMMERICH. New York City | JESSE S. PHILLIPS ..... New York City L. F. Dommerich & Co., Commission Merchants

ROBERT S. GLASS ..... New York City Vice-President, Great American Insurance Company

EUSTIS L. HOPKINS.... New York City

PERCY H. JOHNSTON . . New York City Chairman of the Board, Chemical Bank & Trust Co.

SAMUEL McROBERTS . . . New York City

ALEXANDER R. PHILLIPS New York City

Vice-President, Great American Insurance Com-pany. Formerly Superintendent of Insurance of New York

HOWARD C. SMITH . . . . New York City Estate Trustee

MAURICE J. SULLIVAN . New York City President, American Can Company

ROY B. WHITE.......Baltimore, Md. President, The Baltimore & Ohio Railroad Co.

GARRARD B. WINSTON New York City Shearman & Sterling, Attorneys

WILLIAM H. KOOP ..... .. New York City President, Great American Insurance Company and Affiliated Compan

### Bennett's "V-Plan" Is Applauded

(CONTINUED FROM PAGE 43)

Association of Accident & Health Underwriters wired greetings.

The moving of the official opening day back to Monday, with the "Pattern for Production" of the Business Development Office, meant four full days velopment Office, meant four full days of heavy programs. The reports of the president and the secretary were heard on Tuesday this year, with Wednesday morning devoted to the report of George Scott, educational director, and the talk of W. A. Sullivan on the insurance buyer's viewpoint. There is only one general session each day, either the morning or the afternoon of each day being devoted to group discussions.

each day being devoted to group discussions.

The executive committee adopted a resolution calling for cooperation in the sale of defense bonds and a rather ambitious program of inducing agencies to get all their employes to buy them on a salary deduction basis. It is likely that this will be offered as a resolution at the final session, with perhaps some spectacular sendoff.

### Silent on Graded Costs

The executive committee announced that it had heard a report from Ralph Howe, Richmond, Va., chairman of the important committee on graded costs, but did not make the report public. On the touchy subject of branch offices, President P. H. Midyette stated in his report that the executive committee might make a statement before the meeting adjourned, but this had not been done at this writing.

The recommendation of the advisory committee, consisting of past presidents, that the mid-year meeting be omitted after this year provoked much discussion. Going to two meetings a year, especially for distantly located agents, is personally expensive. Since the executive committee was enlarged the cost of holding a meeting of that body runs between \$2,500 and \$3,000.

Undoubtedly there is much doubt in the minds of many agents as to just what is the status of the national councillors. The regional groups undoubtedly have much influence. Secretary

cillors. The regional groups undoubt-edly have much influence. Secretary Bennett has made a study of the na-tional councillor plan and it has been submitted to the territorial chairmen for submitted to the territorial chairmen for review. The opinion prevails that the national council should have some defi-nite responsibility. Just now its scope is rather vague, although the discussions at its meetings are very informative. President Midyette in some of his pre-

convention addresses recommended that agents be classified into three groups according to the type of service they render. The national council unani-

Association of Accident & Health Un- mously disapproved such classification, to the plan probably will not be vived

There is much difference of opinion regarding the agreement between the National Association of Insurance Agents and the Association of Casualty & Surety Executives over countersignature. Evidently the casualty companature. Evidently the casualty companies are not wholly satisfied, as they have asked for a revision even at this early date. Many agents feel that countersignature compensation should be a matter of private contract between the two agents and that there should be no definite amount or percentage of com-

definite amount or percentage of com-mission stated in any pact.

The program for these meetings is now definitely shifted from set speeches to educational forums. The Business Development Office is made a big factor in the week's schedule.

Another significant development is starting the session Monday morning

in the week's schedule.

Another significant development is starting the session Monday morning instead of Wednesday. This plan originated at the Oakland midyear meeting. This caused considerable congestion at the registration desk.

The informative character of the convention reached a high point Wednesday afternoon in the simultaneous forum discussions of the principal lines of coverage. These were held on comprehensive liability, fire and allied lines, accident and health, and fidelity blanket bonds, with several experts from the company and agency ranks handling the more formal parts of the discussions.

One of the most colorful affairs at a convention in years was the "Night on the Santa Fe Trail" Wednesday evening. Members of the Insurance Agents Association of Kansas City, their wives,

Association of Kansas City, their wives, and their office staffs were hosts to local agents at the Nafziger farm near Kansas City. The atmosphere of the old west was provided by cowhand hats and costumes worn by many of those attending, and the barbecued beef and other food lent even the menu a west-

other food lent even the menu a western flavor.

Mrs. Elsie B. Mayer of Denver, president National Association of Insurance Women, got a real ovation when she came to the stand Tuesday morning. Afterwards the convention stood and gave her a big hand.

Mrs. Mayer stoutly denied that the women's association has anything in its purposes tinging of "union." It started in Denver in 1939 with 17 clubs, now has almost 40 with 3,000 members. Its purpose is to broaden the knowledge of members and foster good fellowship, both essentials in these times of changes and trouble. changes and trouble.

### D. A. North Can't Accept N.A.I.A. Office: Moreton and Garlichs Mentioned

writing the choice of the vice-presidency of the National Association of Insurance Agents is in the lap of the gods. David A. North of New Haven, Conn., chair-man of the membership commitee, evidently will not be a candidate, as his time is required in his own local agency. The two men next in line and chiefly mentioned are F. A. Moreton of Salt Lake City and L. W. Garlichs of St. Joseph, Mo., both members of the executive committee. R. W. Forshay of Anita, Ia., will be elected to the presidency from the vice presidents, which is the presidency from the vice presidents. dency from the vice-president's chair.

### Kansas City Registration 1,800

KANSAS CITY—Registration reached 1,800 including women at the convention of the National Association of Insurance Agents.

### Bailey New Southern Chairman

Broadus Bailey, Greenville, S. C., was named new chairman of the southern group of national councillors at the Kansas City convention.

### Former Presidents **Favor Dropping** KANSAS CITY—Seemingly at this Mid-Year Meeting

The past presidents advisory committee of the National Association of Insur ance agents recommended that the midyear meeting be dropped, after next year. year meeting be dropped, after next year. It has already been set for Augusta, Ga., for 1942. The opinion of the committee was that the mid-year has grown to such a point that it presents serious competition to the annual meeting and imposes too heavy burdens on all parties concerned. What action the executive committee will take on this suggestion is not indicated.

Registration envelopes were well filled, perhaps as heavily stuffed as they have ever been. In addition to the programs, badges, and tickets, each contained a letter opener with the compliments of Garrett, Inc., Kansas City general agents, a pencil and football schedule from Standard Accident, and the indispensable spiral memorandum pads of Royal-Liverpool. Newspaper men, at least, are eternally grateful for this last least, are eternally grateful for this last

Lionel A. Sertel of Miami, Fla., one of the early arrivals, flew up and was on hand Friday evening.

# Through Eighty-Seven Years -

- -through the disasters of conflagration and hurricane
- -through years of financial depression
- through wars, Civil, National and World-wide
- -since 1854—eighty-seven years ago—the United States Branch of

### THE

# Northern Assurance Co.

has pursued the even tenor of its way. Conducting a conservative, sound, fire insurance business; paying its losses, large and small, equitably and promptly; equipped to-day, better than ever, to "carry on" as the strong Agency Company it has always been.



### The NORTH Assurance Company, Ltd.

135 WILLIAM ST.



BOSTON CHICAGO SAN FRANCISCO

### **Executive Committee Members**



WADE FETZER, JR., Chicago



LORREN GARLICHS, St. Joseph, Mo.

mmit-

Insur

midyear. , Ga., nittee

and arties cutive

ion is

well

procon-

mpli-

City otball id the pads

s last

# Pledged Support

W. N. Achenbach

AETNA FIRE GROUP

CHICAGO, ILLINOIS

W. K. Maxwell Vice President THE HANOVER GROUP CHICAGO, ILLINOIS

AGENTS, in recognition of their obligation to the public, should stand for and firmly advocate the principles of the American Agency system and the sale of sound capital Stock company indemnity. Only through upholding these highest principles of insurance will they enjoy greater prestige and security for capital Stock insurance.

THE WESTERN DEPART-MENT MANAGERS whose names appear on this page believe in and endorse the principles of the American Agency System and represent companies that, of course, offer only sound stock company protection. Through their close contact with agents they offer their facilities and services in the proper conduct of the business, and through this medium send greetings to the National Association of Insurance Agents.

E. A. Henne Vice President

AMERICA FORE INSURANCE & INDEMNITY GROUP CHICAGO, ILLINOIS

Smith & Wheeler Managers

HARTFORD FIRE INSURANCE Co. CITIZENS INS. Co. of N. J. CHICAGO, ILLINOIS

John R. Cashel PROVIDENCE WASHINGTON GROUP CHICAGO, ILLINOIS

E. M. Schoen ATLAS GROUP CHICAGO, ILLINOIS

C. Claussen LONDON & LANCASHIRE CROUP CHICAGO, ILLINOIS

J. C. Harding Vice President SPRINGFIELD FIRE & MARINE GROUP CHICAGO, ILLINOIS

E. D. Lawson FIREMAN'S FUND GROUP CHICAGO, ILLINOIS

H. A. Clark Vice President LOYALTY GROUP CHICAGO, ILLINOIS

Chas. W. Ohlsen THE SUN GROUP CHICAGO, ILLINOIS

S. M. Buck Vice President GREAT AMERICAN GROUP CHICAGO, ILLINOIS

Hanawalt & Forkel Associate Managers NATIONAL FIRE GROUP CHICAGO, ILLINOIS

F. M. Gund CRUM & FORSTER FREEPORT, ILLINOIS

### E. W. Sawyer Explains Reasons for Comprehensive Policy Features

The reasons behind several features of the comprehensive liability program were explained by E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, in his presentation during the panel discussion on that subject at a group meeting Wednesday

At the outset, he predicted that com-prehensive liability in the future will be looked upon as a major turning point

He explained why automobile insurance is written in a separate policy.

Some companies, he declared, believe that the joinder of automobile and gen-eral liability in one comprehensive policy would make less reliable the resulting automobile experience. This view had some support from insurance depart-ments. Other companies believed underwriting considerations required separa-tion. Many companies on the other hand saw little merit in either objection to a combined cover. Because compa-nies are required to underwrite and rate risks and to handle statistics in the same manner whether one or two policies are used, he said it may be expected that one policy eventually will be used in

### Bodily Injury by Accident

He also explained why the clause: "Bodily injury . . . caused by accident" was employed. The available experience was employed. The available experience had been accumulated for the most part under policies which insured against "bodily" injuries as distinguished from "personal" injuries; and although not all policies had used the words "caused by accident" claims had been handled on that basis. Although it is feasible to insure against liability for "personal" injuries which includes liability for slander, libel, false arrest, invasion of privacy and other torts which cause a personal but not necessarily a bodily injury, this can be done only if exposure can be properly appraised and rated. The broader coverage is not feasible at rates based upon available experience. No one knows to what losses a general broadening of the insurance might lead, particularly in the direction of liability for circulars and ance might lead, particularly in the direction of liability for sickness and disease. An example of the problems that might arise is found in the occupational disease. tional disease cover under compensation policies. The only demand for broader protection seems to be the result of competition between companies, he said.

### Minimum Policy Premiums

Mr. Sawyer explained why minimum policy premiums were determined upon. Proper control over rates required careful surveys and audits for comprehensive policies, he observed. Unless the prepolicies, he observed. Unless the pre-mium is sufficiently large to warrant the

expense of a careful preliminary survey and a careful audit after expiration, the work is likely to be superficial. No insurance department desires to approve rates based upon experience under poli-cies so handled. Hence the requirement that there be sufficient premium to warrant proper handling of the underwriting, rating and statistical phases.

### Detailed Declarations

Mr. Sawyer took up the question of why detailed declarations are required. He pointed out that in rate controlled He pointed out that in rate controlled states, it is necessary to include in the declarations of all policies the details of the exposures for which premium is charged in order that rates may be properly administered. The insurance departments require the same degree of detail in the comprehensive policies.

"Why a comprehensive policies.

"Why a comprehensive coverage premium?" he asked. There are always questions about the 1 percent charge for comprehensive insurance. It is not, as is popularly supposed, for coverage of the so-called unknown hazard. The first the so-called unknown hazard. The first reason for the charge was that several companies believe that in rate controlled states a differential in rate was advisable to avoid charges of unfair discrimination and secondly, because many companies felt that certain exposures would not become known unless accidents occurred, even though no one was dishonest. Hence, an additional premium was necessary. Mr. Sawyer said that this charge will not necessarily remain a permanent principle.

The provisions for policies are standard, according to Mr. Sawyer. Those for the comprehensive automobile confor the comprehensive automobile contract are a part of the national program for standardization of automobile policy provisions. At the request of the New York department the same principles were adopted for the comprehensive general liability policy. However, the provisions for the latter policy were adopted by the mutual companies only for New York and Louisiana where all liability rates are supervised. They were adopted by the National Bureau companies for use in all states with exceptions in the coast territory.

### Combination Is Available

The National Bureau companies combined the standard provisions for the two policies in a single contract called comprehensive liability policy, which is standard for them in all states where rates are not controlled with exceptions on the coast. He emphasized the necessity of a policy acceptable in all states. Without it the public cannot be given the service it should have. Whether the companies and agents like it or not, such a policy must conform to the requirea policy must conform to the require-ments of regulated states and can be



Louise Price, executive secretary Kansas City Association of Insurance Agents; Jerome Van Wiseman, director of publications, and Walter H. Bennett, secretary-counsel National Association; Rose Gladstone, Thos. McGee & Sons, Kansas City, who is active in Association of Insurance Women of Kansas City and in local committee convention work.

modified only so fast as the regulated

states agree.
Companies which depart from the national program in non-regulated terri-tory will gain no advantage because the organization companies can and will organization companies can and will meet such competition if it is desirable to do so. The only result of such de-partures is to weaken the value of expe-rience and to delay the time when there shall be a single policy acceptable in all states and reasonably uniform practices under which comprehensive liability insurance may develop with assurance of adequate and reasonable rates for the

protection given. Earlier in his talk, Mr. Sawyer said it was the acceleration in the tempo of transportation and communication which spotlighted the inadequacies of the sepaspotlighted the inadequacies of the separate cover plan under modern conditions. With the territorial extent of thousands of businesses including several or all states, with the acquisition of affiliates, the opening of branch plants and offices with decisions creating liability being made at many different points and with activities directed at a distance by telephone or telegraph, an insured could no longer anticipate and select the separate covers needed for protection.

Experimentation in the direction of producing comprehensive liability coverage has been in progress for the past 12 years, he said.

### Gives Report



C. STANLEY STULTS, Hightstown, N. J. Finance Chairman

Excellent condition of the treasury is reported by its watch dog



# Don't be Deceived by Illusions

Too much attention to the larger risks can result in wasteful indulgence of valuable time. It is our hope to encourage the agent to build with diversification of smaller lines



ury is

October 16, 1941



The right forearm of the Statue of Liberty ar-rived first in this country in 1876 for display in the Centennial Exposition at Philadelphia.

> It was then removed -> to Madison Square Park on Fifth Avenue in New on Fifth Avenue in New York (extreme right in pic-ture). It remained there until 1884 while funds were raised for the base of the Statue.



The arm was returned to France for completion of the entire Statue which subsequently arrived at Bedloe's Island and was erected late in 1884. The raising of this symbol of liberty was considered quite an engineering feat in its day. Keeping its flame burning brightly to warm and encourage all lovers of freedom is the quiet determination of 130 million people.

# Insuring Democracy

THROUGH good times and bad since 1853 this institution has been providing sound insurance protection to American property owners. We believe this entitles us to the claim that we know something about good insurance. Of all the forms of insurance that serve the individual none can compare with the finest kind of insurance that will serve us all-United States Defense Bonds. For the safest investment in the world-for insurance that will help safeguard our liberty—Buy United States Defense Bonds.

ATHE HOME A

From The Home of the Surance Company
NEW YORK

1 The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry

. AUTOMOBILE . MARINE INSURANCE



# National Councillors Discuss Many Subjects

The annual meeting of the national council of the National Association of Insurance Agents was held Tuesday afternoon in Kansas City with Vicepresident R. W. Forshay presiding. The four territorial council chairmen made reports. R. M. L. Carson, Glens Falls, N. Y., eastern chairman, stated that his group was eager to ascertain the status of the councillors. G. W. Carter, Detroit, mid-west chairman, advocated that the four chairmen get together Sunday afternoon before the meeting starts and then hold another meeting after the conferences have met and exchange notes on matters of common xchange notes on matters of common interest.

interest.

C. L. Gandy, Birmingham, reported for the southern conference, saying that Broadus Bailey, Greenville, S. C., had been elected chairman of the southern group. He stated that the southern people believed that instead of ratees being reduced on automobiles, coverage should be extended. Mr. Gandy said, that evidently some companies are very orthodox in the far west, but forget ethics and rules when operating east of the Mississippi River. H. I. Callis, Santa Barbara, Cal., said that every state in his section was represented at the councillors meeting except Arizona.

### U. & O. Reporting Form

He introduced a resolution calling for the standardization of use and occupancy forms so that they will be uniform throughout the country. He said that this class of insurance in some ways is not meeting the needs of the public, and he urged a U. & O. reporting form to apply to risks where values fluctuate. He said that some non-board companies use this form but the board companies cannot. G. W. Carter stated that such a form has been used occasionally in central western territory.

There was considerable discussion over the counter-signature agreement between the National Association of Insurance Agents and the Association of Casualty & Surety Executives. For premiums less than \$1,000 the minimum of \$1 and maximum \$50 was set as He introduced a resolution calling for

of \$1 and maximum \$50 was set as compensation for the countersigning agent. Charman Forshay said that this went into effect in November, 1940. On April 1, 1941 the National association received a letter from the company body asking for a revision and it made some definite recommendations as to what changes should be made. There has been correspondence between the two associations. The company organization advised that it would have a committee meet the executive commit-tee in Kansas City, but later it an-nounced that its committee would not appear. Mr. Forshay stated that the executive committee hold that more time should be given to try out this agreement.

The councillors went on record dis-proving the recommendation of

President Midyette that agents be classified in three groups, A, B, and C. The New York association presented a resolution, saying that it feared the implication involved in this classification, as for instance, Class C is really composed of solicitors and brokers. It was agreed by the councillors that this is a subect to be treated by local boards. Chairman Forshay reported that G. W. Carter's plea for uniform filing face for policies is being worked out.

As to graduated commission and expense, the association has a special committee working on this subject. So far, he said, its study has been along preparatory lines. G. W. Carter, who is a member of the committee, said that it is not intending to legislate any program without approval of the agents.

is a member of the committee, said that it is not intending to legislate any program without approval of the agents. As soon as the work is completed a report will be made to the executive committee. He stated that it has been recommended that the producers organizations employ a full time actuary to delve into the technical and mathematical features which are intricate and which require special analysis.

Secretary W. H. Bennett had been asked to make a study of the national councillors' status. Chairman Forshay said that this has been submitted to the territorial chairmen. It is the desire, he said, to bring the national councillors more into the picture. The councillors gave their unanimous approal to the so-called V-Plan that was elucidated by Secretary Bennett at Tuesday morning's session.

ing's session.

### Much Executive Talent in **Headquarters Suites**

Agricultural is represented at the Kansas City convention of the N.A.I.A. by G. G. Inglehart, secretary, from the home office; C. W. Sherwin, Missouri state agent, and Harry Yankee, Kansas state agent.

E. D. Lawson, western manager Fire-man's Fund, came from Chicago for his company and on hand also were John Pabst, midwest manager Fireman's Fund Indemnity, now on duty in the navy.
A. O. Andersen and Paul M. Britton, general agents for Fireman's Fund, added to the host staff.

John G. Yost, vice-president Fidelity & Deposit; Edward F. Foster, assistant secretary and manager, and H. L. Dunn, vice-president, came in from the home office. Baxter C. Brown, Kansas City, resident vice-president was in charge.

Eagle Star was represented by B. A. Jochen, assistant U. S. manager; A. J. Huneke, inland marine manager; C. B. Burr, Kansas and Missouri state agent, and R. M. Byrne, Omaha.

American of Newark has several officials in attendance: Frederick W. Doremus, western department manager, Rockford, Ill.; Laurence E. Falls, vicepresident, and L. E. Kietzman, secretary,

Newark; Walter H. Wolf, assistant west-ern department manager; O. D. Cox, Mis-sourl state agent; Russell N. Colvin, Kansas state agent, and Charles K. Hughes, Misouri special agent.

Col. H. P. Dunham heads the delegation from American Surety, aided by R. E. Brown, superintendent of agents, W. H. Riley, agency supervisor, and W. R. Evans, Kansas City manager.

In charge for **Zurich** were Harry H. Fuller, deputy U. S. manager, and E. J. Savage, agency superintendent, Chicago.

Welcoming friends for Pacific National Fire were W. L. Greenway, western de-partment manager, Chicago; W. L. Wal-lace, vice-president, and G. R. Jones, Kansas City.

R. L. Turner, vice-president, and H. C. R. L. Turner, vice-president, and H. C. Davis are on hand from New York Underwriters home office, with W. T. Shirley, Chicago; J. R. Curran, Pacific Coast manager; C. R. Watkins, Indiana state agent, and G. H. DeVries, Kansas, and A. F. Nelson, Missouri state agents.

New Amsterdam Casualty was represented by E. C. Due, vice-president and agency director; Stuart A. Smith, agency supervisor; L. A. Buck, casualty department manager, St. Louis, and C. W. Keefer, Missouri manager.

Don Chilcote came in from St. Louis to represent Marine Underwriters Corp., new general agency.

Bradford Smith, Jr., and R. S. Rush, secretaries, came in for North America; B. T. Turner, St. Louis manager. For

Indemnity of North America C. S. Roberts, assistant secretary, and B. S. Balch, agency superintendent were on hand.

W. B. Kelly, New York asistant U. S. manager, and F. C. Read, Chicago manager, were at Royal Exchange and Car & General headquarters.

Preferred Accident had headquarters in charge of W. H. Clanahan, Chicago, western manager, A. D. Strom, assistant manager.

Garrett Inc., Kansas City general agency, maintained headquarters and also entertained at a cocktail party. T. W. Garrett, Jr., and Merle Dubach, vice-president, were present.

G. L. Lloyd, manager Aero Insurance Underwriters, came from New York to preside at headquarters, assisted by Jules Guinotte, Kansas City manager, and Jean Dubuque, Chicago manager.

National Fire was represented by E. H. Forkel, associate western manager, and C. L. Zook, agency superintendent, from the western department at Chicago.

Stuart Ragiand and Robert Howe of the Davenport Insurance Agency of Richmond, Va., were early arrivals.

Atlas Assurance and Albany presented to each registrant a large apple, which was taken to the room.

Additional N.A.I.A. convention news on pages 6-10.



American Safety Tanks have been "squeezing" the fire hazard out of the trucking industry since 1936.

> Ask the men who use themthe leaders in your industry.

# American Safety Jank Co.

UNDERWRITERS LABORATORIES, INC., A. U. 1302

KANSAS CITY, MISSOURI, U.S.A.





Before camera at National agents gathering in Kansas City—Archie B. Millard, Grand Rapids, Mich., A. S. Keys, Springfield, Ill., R. L. Davis, Chicago, manager Association of Casualty & Surety Executives; R. M. L. Carson, Glens Falls, N. Y., chairman of eastern councillors group, T. A. Sturgess, New Haven.

Balch. nd. U. S. nana-

1941

arters icago, istant

eral and y. T. vice-

k to by ager, E. H. and from

tion

# "Prompt Paying Preferred"

# 50 + YEARS of SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 56 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

# THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, President

ACCIDENT BURGLARY PLATE GLASS LIABILITY

### Two Who Were at Birth of N.A.I.A.



JOHN A. BRYANT

Of the original 20 local agents that or the original 20 local agents that met in the Great Northern Hotel in Chicago in 1896 to organize the National Association of Insurance Agents, it is interesting to know that five were from Missouri, three of these from

Kansas City.

The Kansas City delegation consisted The Kansas City delegation consisted of John A. Bryant, who still survives, having retired from business; Milo E. Lawrence and James P. Dew. The St. Louis men were Western Bascome and George D. Markham. Mr. Markham was by all odds the most distinguished member of this group and took an active part in the organization work. He was one of the early presidents of the organization.

organization.

Kentucky furnished three delegates,
Minnesota three, Colorado two, Ohio

Midyette Promises

**Action on Survey** 

of Branch Offices

two, and Illinois two, the rest being scattered. The late Stephen D. Sexton of East St. Louis and Harry H. Cleaveland of Rock Island both claimed to have been present at this meeting although they were not officially recorded. If they had been so recorded then Illinois would have had four dele-

Both Mr. Markham and Mr. Bryant attended the 40th anniversary conven-



GEORGE D. MARKHAM

tion at Pittsburgh in 1936. Mr. Bryant is impaired in mind and body and hence was in no condition to be present at this gathering.

The convention people were especially interested in the presence of Mr. Markham. Mr. Markham was elected president at the Milwaukee convention in 1900 and was reelected in 1901 at the meeting at Put-in-Bay, Ohio. He is one of the outstanding local men of the country.

### Stults Reports All State Association Dues Fully Paid

(CONTINUED FROM PAGE 45) of insurance is united and anxious to

render proper service.

Mr. Midyette said that the counter-Mr. Midyette said that the countersignature and licensing agreement with
the Association of Casualty & Surety
Executives has performed its expected
function of preventing the further enactment of restrictive laws. He pointed
out, however, that it is only a means
to an end and that much remains to be
done to make the agency system satisfactory. He said he is firmly convinced
of the soundness of his recent suggestion
that agents be classified on the basis of
their knowledge, competency and ability

their knowledge, competency and ability to serve the companies and the public, with a variation in compensation.

The automobile finance situation con-

The automobile finance situation continues troublesome, the latest development being the advertising by two large finance companies for the issuing of bail bonds and personal accident insurance with each car financed, Mr. Midyette said. These insurance deals would obviously be made by the dealer who sells the car, which seems to be a clear violation of the law where the dealer is not licensed as an agent, and not subnot licensed as an agent, and not sub-ject to the claim that a dealer is a co-owner of the automobile under a condiowner of the automobile under a condi-tional sales contact and thus has an in-terest in the insurance. Mr. Midyette praised the refusal of Commissioner Johnson of Minnesota to license 225 au-Johnson of Minnesota to incense 225 automobile dealers as insurance agents. He said that the recent revelations of Commissioner Caminetti of California, causing refunds of over \$1,000,000 taken from purchasers of automobiles is an indication of the extent of the problem.

Not only did the National Association Not only did the National Association of Insurance Agents operate comfortably within its income during the past year, but every state association paid its full allocation within the year, C. Stanley Stults, Hightstown, N. J., chairman finance committee, reported. Mr. Stults' report was released at the annual convention at Kansas City and was given at the Monday Juncheon meeting. given at the Monday luncheon meeting of the state association officers.

of the state association officers.

In addition to praising the state associations for this outstanding showing, Mr. Stults said that more and more states are setting up a trust fund out of the current year's dues to pay their national allocation for the following year. He said it is such a sound and successful operation that he hopes that all other associations will adopt it as rapidly as possible.

rapidly as possible.

As of Sept. 1, Mr. Stults said that the income of the National association exceeded disbursements by \$1,275, which balance will be sufficient to pay any expenses incurred during August but not billed until after September. Receipts during the last fiscal year increased \$3,301 and expenses increased \$2,821. \$3,301 and expenses increased \$2,821. The budget for the coming fiscal year is set at \$92,713, which is \$1,155 more than during the past year. It includes an item of \$2,000 for the educational division, which was not previously included in any budget. Certified allocations to the state associations amounted \$85,600 to \$85,609.

to \$85,009.

Size, circulation and income of the 
"American Agency Bulletin," house organ of the National association, increased, Mr. Stults reported.

Over a period of 11 years, Mr. Stults

said, the staff of the National association B.D.O. Advisory Committee increased from 11 to 20 employes. Washington office has been opened the association has had to pay new federal and state social security taxes of about \$3,000 each year. spite of this, the gross annual budget is only \$4,073 more than the budget of is only \$4,073 more than the budget of 11 years ago. The average salary of the nine additional staff members is \$1,973 per year. Due to the increase in membership and the plan of graded allocations, the actual cost per member is considerably less than it was 11 years ago, Mr. Stults pointed out. Up to 1932, the annual National association levy was \$7.20 per member. This was reduced to \$6 in 1933, increased to \$7 in 1935 to take care of the Washington office and reduced back to \$6 in 1936. The graded allocation plan was put in force in 1937. It reduced the average levy per member to \$5.68 that year and this has now gone down to \$5.48 in 1941.

The graded plan divides state associations into seven classes, depending upon the premium income of the particular state. As coextensive member-

upon the premium income of the par-ticular state. As coextensive member-ship in a state association goes up, the national levy per member is reduced, the brackets running from \$6 to \$2.50. The number of required members in each bracket depends upon the state classification.

# and Council Hold Session

The annual meeting of the Business Development Office advisory committee was held Monday evening. Company was neid Monday evening. Company officials in attendance were E. A. Henne, America Fore, W. N. Achenbach, Aetna Fire, and John Mylod, North British.

Members of the agents' advisory council attending were, Chairman Allan I. Wolff, Chicago, Eugene Battles, Los Angeles, and R. M. L. Carson, Glens Falls, N. Y.

Falls, N. Y.

Members of the National association official staff in attendance were Sidney O. Smith, Gainesville, Ga.; Payne H. Midyette, Tallahassee, Fla.; R. W. Forshay, Anita, Ia., and George W. Scott, Walter H. Bennett, J. B. Miller, George Fairleigh and Jerome van Wiseman, New York.

Among the matters considered was a

Among the matters considered was a continuation of the discussions recently held at the advisory council meeting held in New York.
Director Milton W. Mays of the B.D.O. presided, assisted by Pierce North and Fred Westervelt, Jr., assistant directors. ant directors.

Subscribe to Accident & Health Review. \$2 year, 175 W. Jackson Blvd., Chicago.



- Thousands of workers in defense industries are protected by Associated Indemnity Corporation.
- Their employers appreciate Associated's expert safety engineering and medical services - plus the provisions of its non-assessable participating workmen's compensation insurance contract which usually results in lower net costs.

# ASSOCIATED INDEMNITY CORPORATION

ASSOCIATED FIRE & MARINE INSURANCE CO.

HOME OFFICE SAN FRANCISCO

New York

Chicago

Los Angeles

Portland, Oregon

tee n

mittee

chen-fylod,

idney e H. For-Scott,

ently eting

ierce ssist-

# "NO BUSINESS DIRECT"

# NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

### Take Important Part in Convention Work









W. F. White



Raynolds Barnum





Agents from the Pacific Coast territory attending the National association convention and their wives held their annual dinner at the Kansas City Club Monday evening. This has become an annual fixture and the group from the far west makes an imposing number.

Frank C. Beazley, Pacific Coast manager Phoenix of Hartford, wave a cocktail party for the Pacific Coast delegation before the dinner. Mr. Beazley traveled in the middlewest before going to San Francisco last year and renewed old acquaintances at Kansas City. The Business Development Office had special quarters at the Muehlebach. Next special quarters at the Muehlebach. Next door was the headquarters of the edu-cational division. The National execu-tive committee also had headquarters on the mezzanine floor of the Muehlebach. It started its meetings Friday of last

**Pacific Coast Agents** 

**Hold Annual Dinner** 

Mr. Scheufler, Missouri insurance superintendent, gave greetings at the banquet Tuesday, and will administer the oath to the new officers Thursday. Mr. Nellis, Topeka, participated in the fidelity bond forum Wednesday afternoon; Mr. White of Globe-Royal-Eagle was discussion chairman at A. & H. forum; Mr. Barnum is chairman of local convention committee; Mr. Welsh served as resolutions chairman at meeting of Missouri Association of Insurance Agents; Elsie Mayer of Denver brought greetings Tuesday morning from National Association of Insurance Women, of which she is president.

### Joint Contribution Principle Reaffirmed

(CONTINUED FROM PAGE 46)

open until action by the various special committees led to the adoption of some definite plan. This request was refused the conference deciding to wait for furthe conference deciding to wait for further word from the special committee.
"We believe that our request was
fully justified in the light of the subsequent reduction in rates on these
bonds effective in March of this year,"
Mr. Stewart said. This reduction indicates that the bonds have been profitable to the companies.

### Large Contract Bonds

Revamping of the present formula on large\_construction contract bonds also awaits the furnishing of information by the companies who want to wait until the basic principles are agreed upon by the special committees. Certain in-

the special committees. Certain inequalities in rates and commissions appear to exist on contracts of \$2,000,000 to \$2,499,000, Mr. Stewart's report said. It may be necessary to start grading slightly below the \$2,000,000 mark in order to correct this undesirable situation and avoid any criticism.

The surety committee has been in correspondence with the Surety Association of America on commissions for comprehensive dishonesty, disappearance and destruction bonds. The committee has recommended that when the acquisition is settled on the commercial and position blanket bonds, the same rate of commission on the premium come the commission on the premium on agreement No. 1 of this bond, and that the standard rate of burglary com-mission apply to agreements Nos. 2 and 3. The committee also has recommended to the Surety Association that the minimum be the minimum amount that now can be written under the commercial blanket bond, since the \$25,000 minimum on the first agreement makes the bond hard to sell.

While feeling that waiving of surety bonds by the federal government on contracts cannot be opposed due to the national defense emergency, the committee is fearful that this self insur-

ance may continue when the defense emergency is over.

The committee is considering no fur-ther action with respect to the writing of qualifying bonds for non-stock

### Local Organization Is Host to the Officials

It is the custom at these conventions for the local insurance association to be the host to the official family of the Na-tional Association of Insurance Agents. tional Association of Insurance Agents. On Saturday evening the general convention activities committee gave a dinner at the Kansas City Club for the officials and members of the executive committee and the New York staff and their wives and also the local committee chairmen and their wives. The general chairman was Raynolds Barnum, who presided. He introduced President Midyette and Mrs. Midyette. The vice-chairman of the general committee was H. M. Gambrel.

brel. On Sunday evening a buffet supper

On Sunday evening a buffet supper was served at the Kansas City Country Club but the circle of guests was somewhat enlarged to include some special visitors to the convention.

The Kansas City agents deserve high credit for the manner in which they conducted their part of the week's program. To prepare for a convention of this kind requires weeks of work and planning. The local committeemen were on the job at all times and in every possible place. There was a special effort put forth to make the visitors feel at home and hospitality was found on home and hospitality was found on every side. Each committee had its special work to do and it was done well.

# GENERAL AGENTS

City Bank Building

Kansas City, Missouri

## MORE THAN TWO DECADES OF HONORABLE SERVICE TO LOCAL AGENTS

We solicit your inquiries on Underwriting Problems.

Territorial Managers for Outstanding American Stock Fire and Casualty Companies

"Ahead of every dollar of our premiums stands the profits of a local agent."



Member American Association of Insurance General Agents

# ON AND NATIONAL

Insurance Company

HARTFORD, CONNECTICUT J. H. Vreeland, Manager

Assets, \$8,304.922.89

Liabilities, \$3,650,374.21

# Policyholders Surplus, \$4,654,548.68

Insurance Company of New York

Administrative Offices: HARTFORD, CONNECTICUT J. H. Vreeland, President

Assets: \$3,653,555.57—Liabilities, \$495,548.57 Policy Holders Surplus, \$3,158,007.00

## CENTRAL

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT J. H. Vreeland, President

Assets: \$1,732,797.50—Liabilities, \$204,547.12 Policy Holders Surplus, \$1,528,250.38



- The Companies of this Group are entirely local agency companies, both in the letter and in spirit observing the principles of the American Agency System.
- A complete portfolio of lines is written: Fire, Windstorm, Earthquake, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.



# ROYAL·LIVERPOOL GROUPS

For a complimentary copy, address our Publicity Department.

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY 

BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD.

COMPANY, LTD.

COMPANY, LTD.

COMPANY OF CALIFORNIA OF CALIFORNIA OF THE LIVERPOOL
OF COMPANY OF AMERICA OF THE NEWARK FIRE INSURANCE
COMPANY

THE SEABOARD INSURANCE COMPANY OF AMERICA

THE SEABOARD INSURANCE COMPANY OF STAR INSURANCE COMPANY OF AMERICA

THE SEABOARD INSURANCE COMPANY OF STAR INSURANCE COMPANY OF AMERICA



Mrs. T. G. Redden, Greensboro, N. C.; Thomas O'Berry, Goldsboro, N. C.; Mrs. McAllister Carson, McAllister Carson, Charlotte, N. C.

### Stresses Need for Making the Hour More Productive

(CONTINUED FROM PAGE 44)

averages developed on 1928 in an N. A. I. A. survey. He said that whereas an agency in his class on the average paid 52.6 percent of its gross commissions to sub-agents, his own agency paid out but 30 percent. That is because there is a higher proportion of direct business and he said that is where the profit lies. "Gear your efforts to produce sufficient working hours to direct production," he advised.

### Sneers at 40 Hour Week

Mr. Harrington sneered at the 40 hour week idea. "Be grateful," he declared, "the halter of limitation of work

the agent calculate the value of his time the agent calculate the value of his time by the hour so as to appreciate the necessity of making it pay. The agency executive he said, can justify expendi-ture of his working time in saving an equivalent sum in systematizing his office routine to accomplish a maximum amount of work at a minimum cost; in systematizing his sales effort to pro-duce a maximum return at a minimum amount of sales time, and in producing amount of sales time, and in producing sales by customer contact. The agent should gear his efforts to the final

### Record in Client's Office

"We try to gear everything to the customer," he asserted. "On our larger accounts we maintain in his office a clear record of his insurance. It saves his calling for information which is readily at hand. When we are in his office we have available for discussion his record. It saves time 'phoning back for detailed information. This, with our sales manual, gives us a virtually tor detailed information. This, with our sales manual, gives us a virtually complete insurance office at his desk. Our copies of these areas hour week idea. "Be grateful," he declared, "the halter of limitation of work is not strangling you as it is the ambition of our youth of today."

One way to conserve time, according to Mr. Harrington, is to keep the sales organization out of the underwriting department. That can be done by preparing a rate manual that contains basic rates and information on 95 percent of the situations the salesman encounters. "Bill has only to be told three times that it's in the manual before he starts looking it up," Mr. Harrington asserted to the accompaniment of appreciative chuckles.

Moreover, with such a manual, the salesman answers the customer's questions directly, makes a better impression and conserves the time of the client as well as that of the agency.

Another way to save time is to dispose of paper work decisively. Instead of fingering a letter from the home office 20 times during the day before responding, knock out a reply immediately. "Don't let letters steal your time," he declared. "Answer it now. Don't procrastinate."

Mr. Harrington recommended that

needed—we thought, one each in the count current when the company only underwriting and accounting depart-requires policy number? Our old billments. An analysis of time operation ing machine was a bottle-neck. These needed—we thought, one each in the underwriting and accounting departments. An analysis of time operation developed a large part of one clerk's time to be in posting line cards, despite our previous short cut. Our survey cards did the job on large accounts, but the multitude of small accounts were the 'time cheaters.' Why not place a copy of the original invoice for each policy in the line card file, and when endorsements and cancellations come through, attach a copy to it. Presto—the office boy can do that. Thus was aved time previously consumed, actually giving us more help, and avoiding additional employment. our previous short cut. Our survey

### Two Clerks Saved

"In the accounting department, we found the information on original invoices was being duplicated on the billing machine. Why not merely show invoice number and attach copy of original invoice. And why show name of assured and description of risk on ac-

requires policy number? Our old billing machine was a bottle-neck. These changes, plus the purchase of a model billing machine, not only avoided the necessity of an extra clerk in the accounting department, but actually enabled us to do all mortgage department billing, previously handled separately, in the insurance accounting department. Two additional clerks saved, a cleanercut job, and one clerk's time released to take detail off a production line.

"What price profit in spending your time fooling with notoriously slow-pay accounts? Go back home, put your commission on the credit side, charge to the account your time, and the time of your organization, and ultimately the time spent with a committee of special agents, and you'll do one of two things—put your cards down on the table with your customer and collect your account, or, get rid of him. We did this some years ago. We analyzed every account that had been slow, and

# Safeguarding America

Every effort should be made to further the Nation's defense program. Prevention of fires is an important factor and you, Mr. Agent, are in a position by daily contact with your clients to preach the gospel of fire prevention and conservation of the nation's resources. We compliment you on your good efforts along that line.



# **NORTHWESTERN FIRE & MARINE** INSURANCE COMPANY

MINNEAPOLIS - - - MINNESOTA

# MARSH & MCLENNAN

# INSURANCE

Federal Reserve Bank Building . 164 West Jackson Blvd., Chicago

NEW YORK BUFFALO PITTSBURGH CLEVELAND COLUMBUS DETROIT INDIANAPOLIS MILWAUKEE MINNEAPOLIS DULUTH PHOENIX SAN FRANCISCO LOS ANGELES PORTLAND VANCOUVER BOSTON LONDON

only These model d ie acy enately,

eaner-

ed to your v-pay

your harge time y the pecial

nings table your did yzed and

time-consuming. We had a wholesale house cleaning by a cancellation process. Over 90 percent of the accounts canceled came in and paid, and have been good pay since. We made a salesman of the collector, paid up our bank, and have the proud record of never having an agency balance go past due, or having to borrow for insurance purposes. Time previously spent on collections is now spent on production.

### Desultory Sales Effort

"How many salesmen walk out on the street, look around at the office windows and say: 'Well, I believe I'll drop over there and see old Bill. May-

be he needs some fire insurance.' Your conference with old Bill will be just that desultory. You're going to spend, let's say, \$15 worth of time today seeing people. Isn't that worth some expenditure in planning? Five new prospects a day, or \$3 in time spent on each one. A prospector spends money in research. He first determines where the pay load is most apt to be. The prospect is your pay load. He must first have something to insure and be able to pay for it. It is generally easier to interest a successful man in a worth-while proposition. He's your best prospect, but his time is valuable, or he wouldn't be a success. Know what you are there for

and tell him. You're the kind of guy that talks his language, and he'll like it. "We are all mentally lazy. We hate to think. Yet today, the salvation of your business and mine rests largely in our mental efforts. No, I have no prescription for your problem, which if taken three times daily before meals, will effect a cure. "Self-discipline, a plan conceived by yourself to meet the particular situation of your own agency; determination to carry out that plan—they are the important things. They will within themselves develop a most effective method of accomplishment. "Within the past 24 months, we have

# AGENCY-MINDED

This company, managed by the 52-year-old agency of R. B. Jones & Sons, is definitely agency-minded ... seeing local agents' problems from an experienced agency view point ... solving these problems thru helpful, nearby facilities that combine convenience, speed and unquestioned financial strength.

Morton T. Jones



Company In-surance is the safest, most economical in-

KANSAS CITY Fire and.

INSURANCE

CHICAGO OFFICE INSURANCE EXCH

MISSOURI

ened coverage, or the securing of business from his not-so-alert competitor. That has taken time and dollars. But there again, the proper application of time has resulted in the recapture of what otherwise would have been a serious loss growing out of this multiplicity of changes. Don't think the job is over. While commendable progress has been made within the past three years in this direction, it is my opinion that we have not yet caught step with the public demand for broader coverage, less fine print in the policy and complicated rating schedules which only an actuary can comprehend.

"Again, a 40-hour working week is not going to enable the agent to study these changes, apply them to his business now in force and pass them on to the customer by personal contact—that is, if he is to survive."

### **Entertainment Program** for Visiting Women

There was a special program arranged for the women who attended the convention. The ladies committee was headed by Mrs. C. S. Stubbs, chairman, the vice-chairmen being Mrs. L. C. Kline and Miss Beulah E. Wilson. At noon Tuesday there was a ladies lunch-eon and style show by Nelly Don at the Hotel President. The women all attended the get-together dinner Tues-day evening and were given compli-

mentary corsages.

On Wednesday from 1:30 to 4:30 p. m. the women were taken through the Nelson Art Gallery and this was followed

by a tea. On Thursday afternoon a sight-seeing trip was planned for the women.

Lieut. Col. H. S. Searcy, formerly Kansas state agent Crum & Forster, at-tended the convention while on leave from Camp Robinson and spent some time in the company headquarters re-newing old acquaintances.

Eric Rogers, Jonesboro, Ark., agent, was greeting friends at the convention with a left-handed handshake. Several weeks ago one of the fingers of his right hand was severely injured in an accident on Mr. Rogers' farm.

accident on Mr. Rogers' farm.

The convention got off to a late start Monday morning and President Midyette apologized for the delay. However, it was due to a jam of "customers" at the registration desks in the lobby of Municipal Auditorium. A good many registered Sunday, but many company men and agents did not arrive until Monday morning. The tremendous size of the auditorium made the crowd look slim and the huge stage gave the men on the platform plenty of space. The newspaper men were placed in the orchestra pit, and felt very strange about it.



William de R. Scott, Graham, N. C.; Earl Johnson, Raleigh, N. C.; Frank Wilkinson, Rocky Mount, N. C.

### Webb, Edmondson **Bring Greetings**

Lew H. Webb of Conkling, Price & Webb of Chicago, and George E. Edmondson of Tampa, Fla., were the two representatives of companion organiza-tions that brought greetings to the opening session of the N.A.I.A. con-vention Monday morning. Mr. Webb just last week was elected president of the National Association of Casualty & Surety Agents and it was in that cathe National Association of Casualty & Surety Agents and it was in that capacity that he spoke. Mr. Edmondson is president of the American Association of Insurance General Agents and just a few weeks ago was elected grand keeper of the Blue Goose. He was representing the general agents' association at Kansas City.

Mr. Webb mentioned a number of problems in which his organization and the N.A.I.A. have common interest. They include mutual competition, compulsory automobile insurance, monopolistic compensation funds, federal defense business, licensing of automobile salesmen as agents and the financing of premiums.

As to mutual competition, Mr. Webb mentioned the fact that a number of company executives believe that the most effective weapon would be a graded commission system. Little progress has been made in the conferprogress has been made in the conferences that have been held on that subject, however, Mr. Webb stated. The casualty agents, he declared, acknowledge that there should be a reduction in commissions on large risks but at the same time they contend there should be an increase in commissions on the same limit run husingers.

on the small mine run business.

Mr. Webb mentioned the fact that
Ray Murphy of the Association of Cas-

ualty & Surety Executives recently appeared in Washington to argue that mutual companies should pay federal income tax on the same basis as stock companies. It is possible that Mr. Murphy will make another appearance before the house ways and means committee in October.

Mr. Webb spoke in opposition to compulsory automobile insurance. He cited the alarming increase in automobile accidents and he touched on the question of licensing of automobile salesmen as agents. Organized agents in several states have tried to prevent the licensing of auto dealers, he said, on the theory that this amounts to an unfair encroachment in the insurance field. They have met with but little success, however, he said. The most effective damper on such a development is a stiff agents' qualification law with written examinations.

Mr. Webb mentioned the problem of federal defense business in connection with compensation and surety bonds. Under the war and navy department plans there is little chance for the compensation lines and the commissions are so

miums are enormous on the compen-sation lines and the commissions are so small that there is no incentive for the producer to seek the business. The companies are still consulting with the war department insurance committee in the hope of bringing about some revi-

Mr. Edmondson in his greetings, emphasized the importance of confidence, which he stated is the foundation of the insurance business. In order to produce confidence within the business, produce confidence within the business, there must be solidarity and the various units must present a common face. Those in the business, he said, should dedicate themselves to bringing about fairness, confidence and solidarity in the business. Fairness, he said, begets confidence and confidence generates solidarity. Therefore, with solidarity, the business can fight and defeat all subversive interests that are endeavoring versive interests that are endeavoring to destroy stock company insurance and the agency system.

### Convention Notes

Col. H. P. Dunham, vice-president American Surety, had a golf foursome arranged to go to the Kansas City County Club Monday noon. When he went to his room to get his golf clothes he found that his trunk was locked and his wife had gone with the keys. Thus Col. Dunham was forced to make a comprehensive search for Mrs. Dunham.

sive search for Mrs. Dunham.

The Insurance Agents Association of Kansas City was host to officers of the National association at a ceekfull party and buffet supper at the Kansas City Country Club Tuesday evening. Cliff C. Jones of R. B. Jones & Sons, Inc., handled arrangements. Wade Fetzer, Jr., W. A. Alexander & Co., Chicago, and executive committeeman, performed ably on the piano, where he is very much at home.

John G. Emery former Minimum.

John G. Emery, former Michigan insurance commissioner and former national commander of the American Legion, now connected with the Stock Company Association, met old friends at the meeting.

C. E. Ecklun, Chanute, Kan., regaled all who would listen with fish stories from the largest fish pound golf hazard.

### DEPENDABLE CHICAGO AGENCIES

### ASSOCIATED AGENCIES

(Incorporated)

Klee, Rogers, Loeb & Wolff Herrick, Auerbach & Vastine, Inc.

1637 Insurance Exchange CHICAGO, ILL.

Telephone Wabash 1780

# L. A. ROSE & COMPANY

L. A. ROSE C. H. TILLMANN

**INSURANCE ALL LINES** 

NATIONWIDE COVERAGE

Telephone Harrison 2183

Insurance Exchange Chicago, Illinois

# Head Important Committees



DAVID A. NORTH, New Haven Chairman Membership



ALEX H. CASE, Marion, Kan. Chairman Rural Agents

### ENGELHARD KROGMAN & COMPANY

Insurance of Every Kind

FIRE

AUTOMOBILE CASUALTY SURFTY LLOYDS

A-1220 Insurance Exchange Telephone Wabash 2560 CHICAGO



# Chicago: Western Insurance Center

Here is the natural insurance center of the country. There is business in Chicago controlled by agents residing elsewhere. We will cooperate with such agents. Let us make stronger the tie that binds local agents together.

## ELIEL and LOEB COMPANY

Phone Wabash 3961 1737 Insurance Exchange CHICAGO

New York

Philadelphia Boston

Detroit

Milwaukee



General Agents:

Allemannia New York Fire

Republic Fire Underwriters Merchants Assurance Co.

New Brunswick

Century

Pacific National Fire Eureka-Security F. & M.

For all casualty lines

Travelers Indemnity Co.

Travelers Insurance Co.

### "COMPLETE INSURANCE SERVICE"

The facilities of this office anticipate the needs of the agent or broker in all forms of Insurance.

Insurance Underwriters

175 West Jackson Boulevard, CHICAGO

### DEPARTMENT MANAGERS

Representing Strong Old Line Companies Only



SECURITY—STABILITY— SERVICE

Est. 48 Years

# CONKLING, PRICE & WEBB

Insurance Exchange Bldg. CHICAGO, ILL.

> Casualty Insurance Surety Bonds

SECURITY—STABILITY SERVICE

FREDERICK O'BRIEN

HAROLD M. O'BRIEN

# O'BRIEN INSURANCE AGENCY

Royal Exchange Assurance Mechanic & Traders Ins. Co. Occidental Ins. Co. National Security Ins. Co. Federal Union Ins. Co. Eagle Fire Co. Accident and Casualty Ins. Co. Dixie Fire Ins. Co.

Employers Liability Assur. Corp. Car & General Ins. Corp. New Amsterdam Cas. Co. Standard Ins. Co., N. Y. (Auto) Firemans Fund Ins. Co. (Marine) Jersey Ins. Co. Massachusetts Bonding and Ins. Co.

Liquor Liability Written in Car & General

Room 815 Telephone Wabash 6272 175 W. Jackson Blvd. Chicago, Illinois

### R. W. HOSMER & COMPANY

ESTABLISHED IN 1867

P. B. HOSMER P. B. HOSMER, JR.

Insurance Exchange CHICAGO

One of the Old Reliable Chicago Agencies

Fire-Casualty-Surety

### Committee Work Outlined

(CONTINUED FROM PAGE 45)

Mr. Case emphasized the increasing frequency with which the conference table is being used by agents and companies to solve farm agents' problems. His report praised the cooperation of fire companies and their efforts to keep up with demands for modern coverage in rates. The committee hopes to get like cooperation from casualty companies during the coming year.

The rural youth scholarship plan of

nies during the coming year.

The rural youth scholarship plan of the Farm Underwriters Association calls for a lot of cooperation by rural agents, Mr. Case stated. The agent is going to have to go before local farm youth organizations and give them information on the scholarship plan in the way of printed matter, talks and other material, to help each local boy or girl to win a scholarship. Other territorial rating groups, Mr. Case hopes, will adopt similar programs in their areas.

### STORY OF LEGISLATION

In these times production of legislation as well as defense materials has stepped up tremendously. Consequently the job of the legislative committee grows even more important. In his annual report as chairman, R. D. Watts, Beckley, W. Va., explained that the committee has centered its attention on the revenue act of 1941 in line with a resolution adopted at Oakland calling for equalization of taxation between stock and mutual companies. Congressional contact men were asked to present their views to the house ways and means committee. committee.

Equity of the representations made to

them was recognized by members of the Congressional committee, but they felt that due to the controversial nature such a remedial provision would have, it should be incorporated in a separate bill should be incorporated in a separate bill to amend the internal revenue code. However, although this was considered by the senate finance committee, and Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, appeared and made an able presentation in behalf of an amendment to the code, the committee preferred to await the drafting of a separate administration bill this fall.

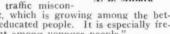
Mr. Watts emphasized the need of furnishing the National association's Washington office the names of agents well acquainted with their Congressmen so acquainted with their Congressmen so that effective representation may be made when bills are being considered that have a bearing on insurance. The results achieved by the legislative committee are contingent largely upon the cooperation shown by state associations

and individual members. There is a vast quantity of legislation being passed by Congress, and much of it at unprecedented speed.

### ACCIDENT PREVENTION

In the annual report of the accident pre-

vention committee Archie B. Millard of Grand Rapids, Archie B. Millard of Grand Rapids, Mich., said that "we have been a ware of the growth in the number of use of bicycles. There are other matters also that need special attention from the standpoint of accident prevention.



attention from the standpoint of accident prevention. One of these is the growth in motor vehicle accidents and traffic misconduct, which is growing among the better educated people. It is especially frequent among younger people."

Stressing the need for long term effort in accident prevention Mr. Millard suggested the need for fuller and more direct public support from company organizations in their speaker program. He said that if the work is viven the support it needs from stock company organizations, the committee will be in a position to induce large number of agents to abandon non-stock affiliations they now support, prepare and present a program locally which they will enjoy using, and get away from defensive tactics which now must be employed. In addition it will be able to build a strong backlog of public good favor.

### Schoelzel's Report

The emphasis that defense has placed on conservation of material resources of the country has made fire prevention one of the prime subjects for the attention of insurance men. In his report Charles W. Schoelzel, Denver, new president of the Colorado Association of Insurance Agents, and chairman of the National association's fire prevention committee, commented on the tremendous response to the campaign to put across a model fire prevention code for cities. Even agents in towns without local boards are participating in the activity, and almost 600 requests for material and information have been received from 44 of the states.

Because of rapid plant expansion and devotion of almost all attention to in-



W. H. Menn, Los Angeles, Clyde B. Smith, Lansing, Mich., Sidney O. Smith, Gainesville, Ga., after radio broadcast in which these three past presidents participated.

duty of every agent to inspect client's property and making recommendations for the reduction of fire hazards, the re-

Successful fire prevention work is dif-Successful fire prevention work is difficult to measure, Mr. Schoelzel pointed out. "We only know when it has failed." The country's fire loss exceeds \$300,000,000 a year, which leaves plenty of room for improvement. Although successful fire prevention work leads to rate reductions and less commission for the agent, he can more than offset this loss in earnings by capitalizing on it as a service story to the public. Mr. Schoelzel particularly deplored the appalling loss of life in fires, 10,000 for the past 12 months in fires, a larger number than the British lost in military action in the present war during a similar period. Napresent war during a similar period. National, state and local associations are doing excellent prevention work, however. They are on the right track and should continue.

### **EDUCATION**

L. P. McCord, Jacksonville, Fla., chairman publicity and educaton committee, reported that there has been close harmony and cooperation on both the needs and methods in insurance education among the National association and the two company bodies, the National Board and the Association of Casualty & Surety Executives. The companies cooperated in the long range program which resulted in George W. Scott being made educational director of the National association, with a new of the National association, with a new educational division established. While reporting measurable progress

creased production because of defense, in the development of the proposed it has become the normal function and American College of Property and Casduty of every agent to inspect client's ualty Insurance, Mr. McCord emphaproperty and making recommendations sized that this is not intended to compete with or replace the educational



L. P. McCORD

activities of state associations and local boards. The latter have served and will serve many members of the rank and file of established agents and their employes, who stand to gain the most by organized educational work.

Mr. McCord said that an increasing number of state associations have developed educational programs and looked forward to the day when every

## Spotlighted at Simultaneous Forum Discussions Wednesday Afternoon



W. HERBERT STEWART, Chicago



BOYLE O. RODES, St. Louis



L. E. KIETZMAN, Newark



W. E. HILL, New York

sed Casha-

nal

W. B. CALHOUN, President

ALLEN R. CALHOUN, Sec.-Treas.

"We Want Your Business"

# Calhoun Insurance Agency

Telephone Lakeside 3780

1910 EAST NORTH AVE.

MILWAUKEE, WIS.

Bradlee Van Brunt, Pres.
Charles J. Schwarten, Vice-Pres. & Treas.
Thayer Z. Clayton, Vice-Pres.
John E. Masak, Secy.

O. H. GAEDKE, Pres. A. A. MILLER, V. Pres. A. L. FISCHER, Secy.

Gaedke-Miller Agency

611 N. Broadway . MILWAUKEE

Tel. Daly 2526

General Agents for Wisconsin and Northern Michigan

GEO. H. RUSSELL-CO.

> GENERAL INSURANCE

Telephone Marquette 3717
741 North Milwaukee St.

Personal and Engineering Service on Brokerage Lines

Rebholz, Riedmueller, Thielecke

Brumder Building Milwaukee

# **MILWAUKEE**

SOME of Milwaukee's most progressive and dependable insurance agents and agencies are represented on this "Milwaukee" Page. They cordially invite you to use their services and facilities. They are deserving of your patronage.

Milwaukee Agents have always stood firmly behind the National Association of Insurance Agents, its principles and its beliefs. They take this means to convey to the Association the assurance of their continued support.

Haskell Noyes Hampton B. Leedom A. J. O'Connor L. C. Hilgemann

LEEDOM,
O'CONNOR
& NOYES CO.

Insurance

We maintain an efficient Insurance Engineering and Inspection Department

825 North Jefferson St. Milwaukee, Wis.

VAL GOTTSCHALK

EDWIN C. SINDORF

GOTTSCHALK AGENCY

213 W. Wisconsin Avenue MILWAUKEE

# CHRIS SCHROEDER & SON, INC.

MILWAUKEE

GENERAL AND LOCAL AGENTS • ALL LINES OF INSURANCE

210 E. Michigan St.

**Tel. Daly 1951** 

state will have one of the highest grade. He said that at least one state has fol-lowed the suggestion of the committee that courses be divided into several grades, for students with different terms of past attendance, and that results have been very encouraging. The success

and growth of the short course school have been so sensational and unpredictable, he said, that it is not too fantastic to hope that eventually every state association will have a full time educa-tional director. That would bring about a professionalizing of the work.

### Buyers Need More Real Service

(CONTINUED FROM PAGE 43)

for immediate needs and in companies whose ability to pay need cause no great concern

in accomplishing these Cooperation ends has been very disappointing. Numerous obstacles have been thrown in the way of simplified coverage, streamthe way of simplified coverage, streamlined policies, and tailor-made forms so that insurance on properties throughout the U. S. is on a similar basis. What is perfectly legal and in fact a common practice in one state is a violation of some rule or regulation in an adjoining state. The provisional form for covering stock and supplies or fluctuating values is perfectly legal on one risk in one jurisdiction, but assured must have two locations in another jurisdiction. A clause describing the property to be insured may be entirely acceptable to be insured may be entirely acceptable to the underwriters and used generally throughout the country but invariably some state will not approve the form.

### Obstacles to Simplification

There are other illustrations of incon-There are other illustrations of inconstency in handling insurance on a country-wide basis, he said. Buyers have come up against a stone wall when they attempted to incorporate various forms of protection in one policy for simplification. It is against underwriting practices or definitions and "such and such" a peril is retained exclusively for the marine underwriters or the casualty underwriters and cannot be included in a fire form.

cluded in a fire form.

Most of the agitation for simplified Most of the agitation for simplified forms and those extending broader coverage has had its origin in buyer organizations, but as yet the goal has not been accomplished, and "we can never really obtain an all risk policy as long as we have the sharp distinction between the three classes of underwriters". Part of these restrictions are imers." Part of these restrictions are imposed by law but responsibility also rests with agents because of the voluntary jurisdictional walls created by their trade organizations.

There were some reasonably strong There were some reasonably strong points for limiting the charter of an insurance company to the writing of specified perils, but now perhaps those charters should be amended to allow more flexibility and leeway so that the buyer can be furnished exactly what he needs, he asserted. In England, companies have no such limitations and "most of us feel that British insurance operations have been successfully managed tions have been successfully managed and the number of failures has been very few."

very few."

Service has been grossly overplayed and far too often limited to lip service or expensive service that did not produce the desired results for the buyer, Mr. Sullivan said he hoped that the "V-Plan for Insurance" includes a rather thorough overhauling of this branch of the business, for he feels that a great deal more can be accomplished for considerably less money than is being spent less money than is being spent

in this connection today.

Countersigning fees add to the cost of

the protection and only rarely do they improve service to policyholders, he said. The buyer should have a right to name the agent or broker who is to receive a part of his premium dollar. Occasion-ally it may be expedient to use a local agent, and few buyers would object to his commission or fee, but the dictator-



W. A. SULLIVAN

ial principle does not make for pleasant relationships.

Mr. Sullivan also scored definitions

Mr. Sullivan also scored definitions often intended only to maintain high premiums and high acquisition costs. Almost at the head of this list would be the so-called fictitious fleets. Many of these definitions are based on unsound basic principles and a lot of pure assumption. He said he knew of no case where a bureau, an insurance department or any other division of insurance has invited the buyer to sit in on the negotiations to present his side for consideration. Anti-discrimination laws, he said, were intended to protect the public and not the insurance companies and their representatives. Many underand their representatives. Many under-writing rules, regulations and definitions are, in the opinion of many buyers, dis-criminating against the buyer to the ninth degree.

ninth degree.

Simplification of forms and including many perils under one policy would tend to reduce the cost of handling the transaction, therefore, part of the saving could be passed back to the buyer. Service, which includes local boards, state boards, national bureaus, and many intermediate organizations, seems to buyers to represent overlapping of functions, and duplication of effort, and consequently tends to higher prices. consequently tends to higher prices. Many bureaus and boards serve a very useful purpose

But many local boards in large com-

munities seem to direct major effort to It would be a strong attraction for maintain their status as an "excepted city" with its accompanying unnatural acquisition cost. In just what manner which now exists, he said. In equity does this activity and its results conmaintain their status as an "excepted city" with its accompanying unnatural acquisition cost. In just what manner does this activity and its results contribute either to improvement of protection and service or to a reduction in costs? Mr. Sullivan wondered.

### Questions "Service"

Assured hear a great deal about the Assured near a great uear about the direct writing companies and are asked to view acquisition costs in the light of valuable service. But what is the poor buyer to do when the man who most loudly condemns direct representation and direct writing companies brings in an expert from his home office to sell the buyer some new form of insurance? the buyer some new form of insurance? The expert direct from the home office is introduced by the local man and thereafter the local man sits in silence while the direct representative demonstrates his superior knowledge of the insurance under discussion. The buyer immediately asks, "If this local man doesn't know enough about the form of insurance to sell it and explain it will doesn't know enough about the form of insurance to sell it and explain it, will he know enough about it to adjust it and settle losses thereunder, and otherwise service my risk?" Has he demonstrated that he should get the commissions if the contract is agreed upon? The home office expert's salary and traveling expense must be substantial, and the buyer sees two acquisition loading costs, one of which is definitely uning costs, one of which is definitely un-essential.

### Mandatory Education Needed

Education should be mandatory and not optional, for there are far too many alleged insurance agents who know far too little about what they are selling, he said. It is an obligation on the agents' organization to continue its efforts for adequate qualification laws. Many of the disagreements between property owner and insurer are serious indictments of the man who arranged the contract. It would go a long ways toward alleviating this condition if each applicant for license was required to pass a rigid examination by an impartial board and then required to post a bond for faithful performance of his duties, he asserted.

Such rigid requirements would of course eliminate a great many of these presently representing insurance companies, but this would be a healthy situation. The large buyers particularly feel that there are too many men in the insurance business attempting to make a living from their premiums. The buyer also feels that if there were a smaller number of agents there would be a larger volume of premiums flowing through the legitimate channels to those agents who have made an honest effort to learn the business and actually render the service that so many agents merely talk about but do not produce.

More Dollars to Agent

### More Dollars to Agent

This consolidation of volume through This consolidation of volume through legitimate and more effective production channels could easily result in a lower percentage of profit and by the same token, lower cost, and still produce an increase in the agent's dollars of income. Any criticism of acquisition cost is ridiculous if it is confined to percentages and completely overlooks the dollars, he said.

Graded commissions, which would

Graded commissions, which would apply to only a relatively small percentage of risks, seems a logical means of protecting and acquiring larger risks.

rating the principle of adjusting home office and acquisition costs to fit a particular risk has already been employed with some success. It has not been mandatory and is used mostly as a competitive weapon, but it has done what graded commissions could do, produced a volume of insurance for the underwriter and agent at a cost which was satisfactory to the buyer.

### Buyer Needs Good Agent

Mr. Sullivan emphasized how wholly dependent upon the agent is the small buyer and the agent's responsibility to him is infinitely greater than to the

larger assured.

In his talk Mr. Sullivan said he sought to avoid personalities and blanket criticism on the one hand and a mere list of agents' good points on

Problems of insurance and industry are parallel and have been down through the years, Mr. Sullivan said. In the last 20 to 40 years competition has increased for both, their operation has increased for both, their operation has become more complex, and the burden on management greater. In recent years there has been a particular need for watching costs as profit margins have decreased. If industry has had to go over cost factors with a fine-tooth comb, certainly this placed the same duty on insurance.

same duty on insurance.

Mr. Sullivan said he does not believe that the American agency system is an economic waste or that the system has served its purpose and therefore should be abolished. By and large, the system can be proud of its past performances can be proud of its past performances and even its severest critics will admit that through agents' efforts and organ-ization the institution of insurance has been built to a size and effectiveness over a period of time which cannot be equaled in any other country of the

There were present from the New York executive office, Secretary W. H. Bennett, Assistant Secretaries J. B. Mil-ler and G. D. Fairleigh; G. W. Scott, educational director; Jerome Van Wise-man, head of the publications and public relations work, and Miss Mary Moberly, secretary to Mr. Bennett.



# MERICAN INDEMNITY

Capital \$1,000,000.00

GALVESTON

Texas' Oldest Stock Company

AUTOMOBILE - FIRE - TORNADO - BONDS - BURGLARY -PLATE GLASS **GENERAL LIABILITY** 

J. F. SEINSHEIMER, President

C. S. KUHN, Vice President and Secretary

CONOVER HARTIN, Treasurer

1941

for inate

ntage quity

home

par-

loyed been

done

do,

hich

nolly mall

to

the

he

and

and on

stry

aid.

ion

ur

ent

eed

nad

the

an

ald

nit n-

### Practical Selling Ideas Given

(CONTINUED FROM PAGE 44)

said. A plan of reviewing manual changes, and of keeping in touch with the latest development in the business by means of trade publications gives the wide awake agent the jump on his competitors.

Then the

Then the agent must study his mar-ket, learn the field for insurance in his community — the types of cover indicated and any peculiar condition that can be met by properly adjusting an insurance program.

With these departments incorporated strong message.

into his business, the agent has established a means of measuring his efficiency. He can "stop-watch" each day's work and know that each minute of each working hour is put into productive use.

It is only through the organization of his agency along these lines that he can render his policyholders a brand of service equal in quality to the capital stock indemnity he is selling, Mr. Westervelt asserted in driving home his

### Few Fail Who Use Sales Fundamentals

After recruiting, training, and then checking the production of more than 2,000 men in connection with Aetna Casualty's sales school, F. W. Potter, field supervisor of the company, said in the "Pattern for Production" session

Production" session that he had con-cluded that every-one is a natural born salesman and can succeed in the insurance business if he will use a few basic principles. Mr. Potter mentioned several of these "sales fundamentals."

Be an optimist.

An optimist gener-ates enthusiasm and

ates enthusiasm and if the agent is enthusiastic about what he has to sell, it often spreads to his prospect. A short while ago a girl was awarded \$5,000 by a jury because in an automobile accident a nerve in her face was severed, making it difficult for her to smile. Mr. Potter wondered what a jury would give some agents for their smile if the juries could see those smiles in their average state. in their average state.

### Use Constructive News

In reading, agents should keep on the lookout for constructive things to tell prospects because it is extremely easy for the prospect to let the general world situation "get him down" in these times. The agent with a full reservoir of good, The agent with a full reservoir of good, constructive news, figures and statements, will find it surprisingly easy to keep his prospect from getting in a negative state of mind where he is unresponsive to a sales presentation. Always feel proud of insurance and the place it holds in the economic welfare of the country, he urged. The public paid \$4,500,000,000 in premiums in 1940, and will pay more in 1941, a figure no other business can exceed.

Another principle is to get down to business. Avoid arguments that will induce in the prospect a wrong state of mind. One agent who obviously needed to make more sales interviews in a day said he didn't do so because he didn't have time. Mr. Potter went out with him, The agent spent half an hour with the first prospect discussing in detail 36

the first prospect discussing in detail 36 holes of golf played on Sunday, and then had no time left to talk business. Mr. Potter handled the next interview, got

into the subject quickly and presented his story adequately. It took 18 min-utes. The two made 19 interviews that day, which turned out a very profitable one. The more interviews, the more sales, and the more commission.

### 12-Minute Presentation

Agents should practice getting their presentation down to 10 or 12 minutes. Most business men will not concentrate for much longer than that, and usually interruptions will start coming in if the agent hasn't made his closing in that

Another fundamental is that preap-proach is half the sale. Here, for in-stance, was an agent trying to sell a combination residence policy. It was the first interview, and the agent started the first interview, and the agent started out by emphasizing the explosion clause. The prospect interrupted to say that he had a hot air furnace. The agent then talked about the liability protection covering dogs, the maid, etc. The prospect pointed out that he hadn't a dog and that he and his wife did all the work around the house. Naturally the agent was pretty discouraged. However, Mr. Potter suggested learning some definite was pretty discouraged. However, Mr. Potter suggested learning some definite things about the next prospect before seeing him. Thy found that the prospect played golf, went hunting and fishing, owned several fine rugs and some jewelry, went south in the winter, hadn't had the plumbing gone over in 10 years, and possessed a large glassed-in porch. They then knew what to emphasize under the combination residence policy: Sports liability, broad burglary and holdup clause, vacancy for six months, water damage covering recent breaks in plumbing, and complete glass breakage clause. The result was a \$280 three-year premium.

### Get Interest with Questions

Get Interest with Questions

A fourth principle is to arouse the interest of the prospect at the start of the interview, and nothing is more effective than asking one or more questions. This is particularly helpful in connection with cold canvass. Ask some questions regarding his present automobile policies. Ask what is the legal age for driving in his present policy. Ask him if his policy provides coverage on his own car only, or if he can drive his neighbor's car and be protected. Mr. Potter has 16 leading questions on automobile insurance, but he seldom has to use more than four or five before the prospect gets out his policy. From then



Cruger T. Smith, Dallas, Tex.; W. Owen Wilson, Richmond, Va., past president National association; Eugene Battles, Los Angeles.

### PROTECT

# Vital Defense Materials

Vital materials needed in America for defense equipment come to us in large part from foreign lands, far and near. For the sake of our security there must be no interruption in this flow of supplies. They must have adequate insurance protection right at the source and anywhere in the world against the numerous hazards to which they are subjected.

As foreign managers for a group of American fire and casualty companies, AIU offers this type of service, based on years of experience in the foreign field. Through its underwriting, claim payment and service representatives in key cities of important countries, and through its affiliated offices, AIU provides direct, efficient facilities for handling the international insurance needs of American business.

Brokers and agents can use our worldwide facilities with confidence to provide reliable protection for their clients' interests abroad.

### AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 John Street, New York 340 Pine Street, San Francisco Havana, Cuba Manila, P. I. Bogota, Colombia, S. A. Shanghai, China Hong Kong





THE AGENCY SYSTEM is the heart of the insurance business. In the General Accident and Potomac organizations agency relationship is a friendly and vital factor, winning good will and building successful agencies.

# GENERAL ACCIDENT

FIRE AND LIFE ASSURANCE CORPORATION, LTD. POTOMAC INSURANCE

COMPANY OF THE DISTRICT

OF COLUMBIA General Buildings Philadelphia on it is up to the agent. Mr. Potter has nine leading questions for residence burglary, but seldom needs to use but three or four. The agent ought to be equipped with several questions on each

equipped with several questions on each form he is attempting to sell.

It is an odd thing, but "gadgets" often sell things, whether they are on radios, automobiles, or in insurance policies. For instance, he said, in connection with the residence burglary policy, if assured is at the movies and poncy, it assured is at the movies and thieves climb up the front porch and get in the windows, also if they enter an unlocked back door when assured is in the front of the house, or should the maid or delivery boy takes something,

There are other principles, but these are the most important, and by following them the agent can successfully sell, Mr. Potter said.

### AGENTS ON TRIAL

While the American agency system is "On Trial," Frank T. Priest of Dula-"On Irial," Frank I. Priest of Dula-ney, Johnston & Priest, Wichita, Kan., also believes that it is "on guard." He delineated this viewpoint vigorously and ably at the B.D.O. production pro-

Mr. Priest has no fears for the fu-Mr. Priest has no tears for the fu-ture of the American agency system, although agents must work hard con-stantly to improve their knowledge of the business and their service to as-sured. In the past 10 years the capital stock companies wrote net premiums of over \$15,000,000,000, divided about equally between casualty and fire, ma-rine and automobile. It is obvious that it would take something of a revolurine and automobile. It is obvious that it would take something of a revolutionary nature to supersede the agency system. It is, however, essential that agents and their friends maintain eteragents and their friends maintain eter-nal vigilance if that system is to con-tinue as the most efficient and econom-ical method of distributing insurance. The American agency system is a natural outgrowth of the American sys-tem of free enterprise. Mr. Priest said.

natural outgrowth of the American sys-tem of free enterprise, Mr. Priest said. For the agent of 50 years ago it was tough going, but agents then and now are as strong as the problems they are forced to solve in their daily lives.

### All Are on Trial

While the agency system is on trial, as a matter of fact, Mr. Priest said, everyone who does anything is on trial continuously: Joe DiMaggio when he steps to the plate, Charlie McCarthy when he goes on the air, Joe Louis when he steps in the ring, etc. The same is true of the agent, when he steps into his office in the morning, when he calls on a prospect, when he services an assured, he is on trial.

When the public thinks of the agent it thinks of all agents. The good agent is charged with the neglect of the uneducated. Consequently, they cannot be

charged with the neglect of the uncur-cated. Consequently, they cannot be isolationists and survive, they must be united, he said. It is a short-sighted policy for an agent not to be interested in promoting those things which will improve his competitor. As a matter of fact, it would be easier for every agent fact, it would be easier for every agent if all of the agents in his community were good ones, if, when they talked with clients, they knew what they were talking about and left nothing in the minds of clients that should be corrected. From a selfish viewpoint, the good agent who knows his business thoroughly can only be assured of surviving if there are enough good agents. thoroughly can only be assured of surviving if there are enough good agents to handle successfully the insurance business of this country. Every inefficient and undereducated agent is a reflection on a great many capable men and women in the agency ranks.

### No More Order-taking

The thing now is to build good will and stress the quality of service. Companies are helping agents through educational facilities and other ways to do this. The agent 20 years ago was too often a broken down refugee from some other business who hoped to make a living by inducing his relatives and friends to purchase insurance from him,

### Featured on Production Forum



FRANK T. PRIEST, Wichita



CARROLL C. DAY, Oklahoma City

Mr. Priest said. But today only the Mr. Priest said. But today only the trained, experienced insurance man can justify his existence. He must know well the fundamentals, be experienced in practice and keep himself continuously abreast of developments. The order-taker is out. Increased efficiency and consequent reduction of cost to the consequent reduction of cost to the consumer are essential, and the women employes of the agency offices have been of great value in this respect, he said.

Perhaps agents have made a moun-

tain out of the molehill of cooperative insurance, he commented. There may not be so many buying from the cooperatives. Also, he said, perhaps mutual competition gives agents the necessary incentive to get their job done properly. Most people will buy stock company insurance if the agent properly

presents it. An aviator doesn't gamble presents it. An aviator doesn't gamble with a parachute, and most people will not gamble when buying insurance. People who buy on price sacrifice quality and service. For instance, those who buy radios, electric refrigerators and washers at wholesale to save a few dollars thereby eliminate themselves from service, adjustment, and replacement of defective parts.

Mutuals find plenty tough competition in communities where there are active,

in communities where there are active, energetic local boards, he said. Strong organization through the National association, with its Business Development Office to aid in better qualifying agents, and local boards does much to establish the confidence of people in the agent's ability to do his job so well that others won't be called upon to do it.

### Lays Down Effective Selling Rules

In "The Sales Track," Carroll C. Day, Pacific Mutual Life, Oklahoma City, presented a selling procedure he has developed from a long and successful sales experience in life insurance.

When Mr. Day first entered sales work 28 years ago there wasn't much written on selling, and what there was seemed to be cloaked in mystery. So he acquired the habit of writing down after every interview, exactly what he after every interview, exactly what he had encountered, what he had done and what he had said, on both successful and unsuccessful cases.

### Capacity to Interpret

He learned that the process of salesmanship is pretty much mechanical except for three things, observation, interpretation, and decision. The salesman needs to be alive and conscious of man needs to be alive and conscious of the reactions and situations which are encountered; he must have the capacity to interpret, or if unable to interpret a point, the courage to stop and ask about it, and finally he must have the capac-ity and courage, after interpreting, to make a decision on what to do about the matter, and then do it. With these three things the so-called natural sales-man seems to be more abundantly enman seems to be more abundantly endowed than the man who has had to learn selling. But the latter can improve in these three fields with training if he is aware of their necessity.

### Shortest Route to a Sale

Beyond these factors is a well de-Beyond these factors is a well defined straight line, the shortest one Mr. Day has been able to find between contact and close of a sale. This is the sales track, and it follows this course:

1. The approach. This implies no physical meeting in salesmanship, as any salesman can approach a person physically. It simply means the ap-

proach to an open minded consideration of a subect, the right of the salesman to talk "with" and not "at" a prospect, he said.

he said.

2. Qualification. If it has not been done before the approach, the salesman can qualify the buyer early in the interview as to his need—his sense of responsibility to that need, and his capacity to buy. From this he moves distributed the area of the same than the same transfer of the salesman can provide the sa ity to buy. From this rectly into the next step.

### Fix Problem on Prospect

3. Identification of the buyer's problem. Many salesmen seem to think they should occupy the center of the stage in the sales demonstration. The situation must be reversed. Build the sale around the buyer's problems. Always get reactions rather than giving them, and let the buyer talk because a good sale is always cooperative. With the following step the actual selling

starts.
4. Fix the identified problem on the prospect. Make the buyer the central character.

character.
5. Then, and then only, offer the solution to the fixed problem. If a problem is properly fixed, almost always the reaction is, "Well, if that's so, what's the answer? What can 1 do about it?" Now the salesman should offer his specific merchandise as the one best answer to the problem. The question of competition has been kept out because the salesman should not compete with competitors. This works to pete with competitors. This works to his advantage because his merchandise has been presented as a specific solu-tion to a specific problem which the salesman has magnified, and not as a very general problem of which the prospect has been conscious and for

which other very general merchandise has been offered in solution.

6. The close. Here is where most salesmen fail. Young or old, salesmen sometimes are much more afraid of the close than the prospect. Mr. Day's own study revealed that he didn't close own study revealed that he didn't close the deal because he was afraid that he wasn't ready to close. However, if he follows this sales track, then he is ready to close the deal, and knows it.

### Five General Principles

Backing up the sales track are five general principles which have evolved out of many years of selling experience for Mr. Day. In the first place the salesman should never argue because no one can ever win an argument. In his own mind the other fellow is always right. Never talk politics, the salesman's job is to sell merchandise, not political principles.

The salesman should not talk specific merchandic executed in the present of the present

The salesman should not talk specific merchandise except at the proper time. Instead he should follow a third principle; that is, talk the prospect's needs and problems. Put him into the picture as demonstrated in the sales track, if the salesman wants to sell goods. The salesman should get agreement on the major issues involved. It is at this juncture that the salesman can eliminate argument. There are major issues in every business where agreement is obvious and upon them rest the foundations of the sales. The agent should learn those for his business and use them. them.

And finally, don't let the prospect

And finally, don't let the prospect write the rules. Every prospect considers himself an expert buyer. The salesman must make the buver sure of the information as it applies to the buver as a user, not a buyer.

By carefully following the sales track method, Mr. Day said, he has made unnecessary "advance knowledge of psychology and intuition." Instead he has built up by systematic record a practical method of selling which is the result of thousands of sales interviews.

A. F. Powrie, western manager of Fire Association, Chicago, was the No. 1 registrant at the convention. W. O. Woodsmall, veteran Missouri state agent for the company, who was No. 2 registrant, was "wearing" a cane as the result of a twisted leg he suffered in a recent golf

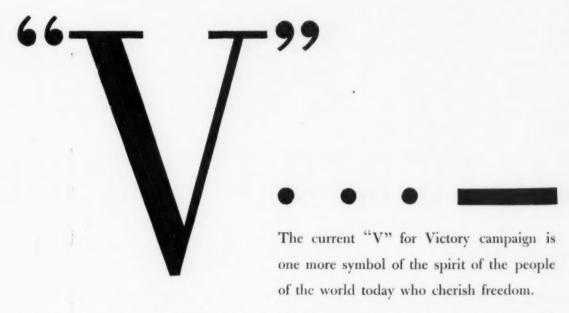


John Mylod, assistant U. S. manager North British & Mercantile; L. L. Sertel, Miami, Fla.; J. W. Ricks, Little Rock, Ark., state agent, and W. J. Traynor, advertising manager North British & Mercantile.

the state of the series of the

mi,





It is symbolic of a spirit which, in the United States, is reflected by our huge national defense program and our increased industrial production. Today, more than ever before, insurance and the protection that it alone offers, is a vital part of our nation's great industrial effort. And in this, the Insurance Agent plays an important role in protecting industry and the workmen of industry.

The Norwich Union has aided its agents in affording proper protection to fit the needs of their clients since 1797... through wars, fires, flood and disaster in normal and in critical times.

# NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

EAGLE FIRE COMPANY OF NEW YORK

New York's Oldest Insurance Company



NORWICH UNION INDEMNITY COMPANY

. . IN NORWICH UNION

THERE IS STRENGTH . .

75 MAIDEN LANE, NEW YORK



# The NATION'S DEFENSE

is today absorbing the attention and energies of all Americans.

Local Agents know their own first line of **Defense** is safeguarded when their renewals are placed with the Western Insurance Companies.

FIRE—CASUALTY—AUTOMOBILE INLAND MARINE—ACCIDENT and HEALTH—FIDELITY and SURETY

Nation-wide Claims Service

# The Western Fire Insurance Company The Western Casualty and Surety Company



HOME OFFICE, FORT SCOTT, KANSAS

Executive Offices
916 WALNUT STREET
KANSAS CITY, MO.

Central Department
A-1924 INSURANCE EXCHANGE
CHICAGO, ILLINOIS



